

B. BUSINESS ENVIRONMENT

"If you have the right beach towels, even being shipwrecked can be endured," say industry analysts, who are predicting strong sales as retailers find ways to stretch the beach towel season around the calendar, through cruises in the winter and a growing spa business.

Manufacturers and retailers are predicting sales growth in the beach towel market, where there is optimism despite a sales slump in 1992.

Manufacturers report an increase in beach business for 1993, and say they expect a more profitable year in 1994 because of a continuing trend towards year-round merchandising. Once considered a purely seasonal business, beach towels are moving beyond summer and into recreational circles, from school lockers to exotic hideaways, spas and sports businesses.

Some analysts say the product is on its way to becoming "a tremendous marketing opportunity, aimed at the young, in spirit and health."

March through June remains the peak selling season, but some retailers say they are still featuring the product well into August and even September.

Colour is an essential element, according to both retailers and manufacturers. Consumers want beach towels that will stand out in the sun, and something more than just simple designs of sailboats and mermaids. Manufacturers are responding with unusual colour pairings, such as orange with pink, and blue with greens. Jacquards and double jacquards come with brightly coloured borders.

Many wovens in traditional beach themes, such as shells and boats, are also receiving unusual colour and style treatment. Bright, solid coloured towels with designs on the border are proving to be best sellers.

But the market leaders are licensed fibre reactives. Retailers say the hot licenses tap directly into the juvenile market, incorporating themes from Disney, Jurassic Park, Tom and Jerry, The Muppets, Warner Brothers' Looney Tunes and Thomas the Tank Engine.

Meanwhile, juvenile bath programs and products are reflecting designs from Africa, Europe, Guatemala, the Orient and Greece.

Licensed juvenile bath towels proving extremely popular include The Perils of Mickey, Minnie Mouse, The Little Mermaid, Snow White, 101 Dalmations and Pinocchio, Lamb Chop, Dennis the Menace, and Looney Tunes.

Buyers at the 1993 April Home Textiles market gave domestic mills high marks for new jacquards, ethnic looks and prints.

Of special interest were several Fieldcrest introductions, including tartans, plaids and Shetland looks, and the Martex One World Collection of four free-standing ethnic jacquard towels, inspired by the cultures of Turkey, the Orient, Guatemala and Africa.