

THE UNITED STATES OF AMERICA

A. THE MARKET

The U.S. towel market is vast and highly competitive, particularly at the low end of the product spectrum. There is a great deal of market information available.

Retail sales of bath and beach towels in the U.S. steadily declined from 1990 to 1992. The smaller market for embellished bath towels did better during that period, increasing sales each year.

U.S. trade statistics show bath towel sales shrank from \$1.45 billion in 1990 to \$1.39 billion in 1991, falling to \$1.33 billion in 1992. During that time, mass merchants increased their share of the bath towel market by one percentage point, to 45 per cent of the market.

Bath towel sales in department stores meanwhile dropped to 23 per cent of the total market in 1992, from 28 per cent in 1990. Other outlets, including catalogue sales and specialty stores slightly increased their sales share during this period.

Solid colours are hugely favoured, capturing nearly 80 per cent of sales. The remaining 20 per cent are split between stripes, jacquards and prints. Solid colours average about \$30 a dozen, with fancies near \$26, indicating large quantities sold for lower, popular-priced sales.

U.S. mills in 1992 shipped about five bath towels to four hand towels. Wash cloths outsold bath towels six to five, but wash cloth prices per dozen were low at around \$6.50.

Embellished bath towels showed sales gains in each year, from \$93 million in 1990 to \$99 million in 1991 and \$102 million in 1992. Sales of embellished towels have increased every year since 1988, when they marked \$77 million. Top makers include Avanti, Abouchar, R.A. Briggs and Saturday Knight.

Mass merchants and specialty stores are increasing their share of this market at the expense of department stores, which nevertheless controlled 38 per cent of the retail market for embellished bath towels at the end of 1992.

Beach towel sales declined from \$234 million in 1991, to \$220 million in 1992. Mass merchants increased their retail sales share of the beach towel market to 44 per cent by the end of 1992. Department stores meanwhile dropped to 20 per cent of the market.

Fully 36 per cent of the beach towel market is split between specialty stores (8 per cent), catalogues (3 per cent) and other retailers (25 per cent).

Towel and wash-cloth imports in the third quarter of 1992 were \$44.4 million, or roughly 14 per cent of U.S. consumption. U.S. exports during that time were \$5.1 million.