

THE UNITED KINGDOM

A. THE MARKET

The market for towels and table linen has contracted sharply after a decade of steady growth, concentrated mainly in the years from 1984 to 1988.

In 1992, the market was valued at C\$575.3 million, down from a decade high C\$607.9 million in 1990. The towels and table linen market began the decade in 1982 valued at C\$314 million.

As with other household sectors, towels and table linen are distributed through a wide variety of channels in the U.K. Due to the lack of a dominant sales channel, there is a high percentage of sales through the "other" category, which includes market stalls, supermarkets and discount stores.

In fact, department stores have been losing market share over the last three years, largely due to the efforts of variety stores such as Marks and Spencers and BhS, which have been increasing share. The variety stores now have the largest share of the distribution with 24 per cent in 1991.

Domestic towel production is dominated by two firms, Courtaulds and Coats Viyella.

In this sector, there is very little brand awareness. The high proportion of imports and own labels make it very difficult to estimate brand shares in the market place.

The domestic market is made up of 60 per cent imports and 40 per cent home production. About 55 per cent of the home produced market belongs to Courtaulds, producing its own brands such as Christy and Zorbit, while 30 per cent is accounted for by Coats Viyella, with its Chortex and Dorma brands.

Of the Courtaulds brands, Christy is directed at the mid to upper level of the market and is mainly sold in major department stores. The product is sold in a wide variety of colour and pack sizes, and the product range includes bath mats.

Zorbit targets the low to mid market consumer and is also distributed through department stores. Courtaulds also distributes own label products to retailers, wholesalers and cash and carry outlets.

Coats Viyella makes Chortex brand, which is primarily towel products. Meanwhile, the company's Dorma brand takes in a complete range of household textiles.

Coats also manufactures for design houses, such as Dior and Mary Quant. An example of this is the Epernay brand manufactured for Christian Dior by Vantona.

Imports are predominately sold as own label products. The leading branded imports include