

# Global market review of outside clothing – forecasts to 2014

2009 edition



*Just-style*

# **Global market review of outside clothing – forecasts to 2014**

## **2009 edition**

December 2008

By Frank Pendle

Published by

Aroq Limited  
Seneca House  
Buntsford Park Road  
Bromsgrove  
Worcestershire  
B60 3DX  
United Kingdom

Tel: +44 (0)1527 573 600

Fax: +44 (0)1527 577 423

Web: [www.just-style.com](http://www.just-style.com)

Registered in England no: 4307068

# Single-user licence edition

This report is provided for individual use only. If you would like to share this report with your colleagues, please order additional copies or sign up for a multi-user licence by contacting:

## **Kathryn Wedgbury**

Research manager, [just-style.com](http://just-style.com)

Tel: +44 (0)1527 573 604

Email: [kathryn.wedgbury@just-style.com](mailto:kathryn.wedgbury@just-style.com)

## **Copyright statement**

© 2008 All content copyright Aroq Limited. All rights reserved.

This publication, or any part of it, may not be copied, reproduced, stored in a retrieval system, or be transmitted in any form by any means electronic, mechanical, photocopying, recording or otherwise without the prior written permission of Aroq Limited. This report is the product of extensive research work. It is protected by copyright under the Copyright, Designs and Patents Act 1988. The authors of Aroq Limited's research reports are drawn from a wide range of professional and academic disciplines. The facts within this report are believed to be correct at the time of publication but cannot be guaranteed. All information within this study has been reasonably verified to the author's and publisher's ability, but neither accept responsibility for loss arising from decisions based on this report.

## **Incredible ROI for your budget – single and multi-user licences**

We understand the pressure your research budget is under and price our reports realistically. You won't find our reports with four, or even five-figure price tags, but you will find that they make some of the competition look expensive. Each title is available to you on a single-user basis, supplied on the strict understanding that each title is not to be copied or shared. Alternatively, titles can be shared within departments or entire corporations via a cost-effective multi-user licence. Multi-user licences can also save you money by avoiding unnecessary order duplication. To further add value, all multi-user

copies are hosted on a password protected extranet for your department or company – saving you time, resources and effort when sharing research with your colleagues. To find out more about multi-user pricing please contact Kathryn Wedgbury.

**just-style.com membership**

From just GBP99/US\$149/EUR120\* a year you will gain access to a growing portfolio of exclusive management briefing reports, and also receive 12 new briefings for each year you are a member. As well as this impressive list of members' only reports, you also gain one year's access to a constantly-updated stream of news, feature articles and analysis. Established in 1999, *just-style* has rapidly evolved into the premier source of global apparel industry news, analysis and data for busy senior executives. For details of the current special joining offer visit: [www.just-style.com/offer.aspx](http://www.just-style.com/offer.aspx)

\*Prices correct at time of publication.

# Table of contents

<b>Single-user licence edition.....</b>	<b>ii</b>
Copyright statement.....	ii
Incredible ROI for your budget – single and multi-user licences.....	ii
just-style.com membership.....	iii
<b>Table of contents .....</b>	<b>iv</b>
<b>List of tables .....</b>	<b>vi</b>
<b>Executive summary .....</b>	<b>1</b>
<b>Chapter 1 Petite size.....</b>	<b>3</b>
Social and technical aspects .....	4
Design .....	5
Trends .....	5
Main players – by region and company .....	6
North America.....	6
Ann Taylor .....	6
Appleseed's .....	6
Banana Republic .....	7
Chadwick's.....	7
Charming Shoppes.....	8
Dr. Jay's .....	8
Gap Inc .....	9
J. C. Penney Company .....	9
Lands' End.....	10
Macy's.....	10
Old Navy .....	11
Talbots .....	12
Europe .....	12
Marks & Spencer .....	12
George at Asda .....	13
Hennes & Mauritz.....	13
Marshall Ward .....	15
<b>Chapter 2 Plus-size.....</b>	<b>16</b>
Social and technical aspects .....	17
Design .....	18
Trends .....	19
Main players – by region and company .....	20
United States .....	20
The Gap .....	20
Macy's.....	21
Saks Fifth Avenue .....	22

Europe .....	22
Marks & Spencer .....	22
Evans .....	23
Elvi .....	23
Ulla Popken .....	24
<b>Chapter 3 Tall size .....</b>	<b>26</b>
Main players – by region and company .....	27
United States .....	27
Wal-Mart .....	27
Zappos.com .....	27
Europe .....	28
Long Tall Sally .....	28
Grande et Belle.....	28
<b>Chapter 4 Measurements and marketing .....</b>	<b>30</b>
Measurements .....	30
Multi-channel marketing.....	31
Bricks and mortar outlets .....	31
Friends' roles .....	33
E-commerce .....	34
Catalogue .....	34
Wholesaling .....	34
<b>Chapter 5 Market projections and trends .....</b>	<b>35</b>
Western Europe .....	36

## List of tables

Table 1: Proportion of petite size to total US apparel market 2005-2014 (% of sales).....	3
Table 2: Proportion of plus-size to total US apparel market 2005-2014 (% of sales).....	16
Table 3: Proportion of tall size to total US apparel market 2005-2014 (% of sales) .....	26
Table 4: US outsize buying behaviour by demographic and store .....	31
Table 5: US market for total apparel, 2005-2014 (US\$bn) .....	35
Table 6: US market for plus-size apparel, 2005-2014 (US\$bn) .....	35
Table 7: US market for petite apparel, 2005-2014 (US\$bn) .....	36
Table 8: US market for tall apparel, 2005-2014 (US\$bn) .....	36
Table 9: US market for total outsize apparel, 2005-2014 (US\$bn) .....	36
Table 10: Proportion of outsize to total US apparel market 2005-2014 (% of sales) .....	36
Table 11: Contemporary measurements (US and UK clothing sizes and %) .....	37
Table 12: Western European female outsize market for apparel, 2005-2014 (population m and EUR bn) .....	37
Table 13: Western European female plus-size market for apparel, 2005–2014 (population m and EUR bn) .....	38

# Executive summary

Outsize apparel can be defined as apparel products that are specially manufactured and/or marketed for petite, plus-sized and tall customers. This is the most dynamic segment of the apparel market; it is rapidly growing in scale and sophistication and offers significant profit potential to manufacturers and marketers that can tailor their products to this niche. Describing outsize apparel as a niche is misleading; according to the United States Department of Commerce, outsize apparel sales grew from less than x% of total market share in 1980 to nearly xx% in 2008. The outsize apparel market will actually surpass xx% of total market share by 2014 in certain countries, such as the United States.

There are several reasons for this growth. The world is changing rapidly. People are increasingly mobile on a global scale, creating a more diverse demographic to which retailers must customise their offers. Dietary and work habits are changing rapidly in many nations, significantly affecting the proportions of petite, plus-size, and tall individuals in their populations. Globalisation is compelling companies to market their products to an increasingly global – and differently-shaped – audience in order to gain market share.

The apparel market is mature, and therefore suffers from low competitive barriers and inelastic pricing. In order to increase perceived value and customer satisfaction, retailers and manufacturers are working together to effectively re-engineer one of the oldest products in the world. The extensive use of body scan data, sophisticated customer and sales feedback techniques, and leading-edge manufacturing systems are coming together to create clothes that fit, enhance, and last like never before. Furthermore, these techniques have even brought back the era of personalised clothing in the guise of mass customisation.

The three main markets for outsize apparel are quite diverse, and all bear closer scrutiny for their profit potential as well as the insight they offer as early indicators of market changes.

- The shrinking percentage of women in this demographic cancelled out the growing demand in units of petite apparel in markets worldwide from 2006 to 2008, a trend that is expected. There are interesting trends to be observed in the evolution of this frequently-overlooked market segment of the apparel industry.
- The plus-sized apparel market is growing at a healthy clip, influenced by the growing indices of daily calorie intake and lower calorie consumption in most of the world. In some countries, such as the US, plus-size was in 2007 about xx% of the total market. Further gains throughout the world are expected to 2014. The size of this market, estimated by entities such as *Women's Wear Daily* as being upwards of US\$xxbn in 2007, has made most major retailers and manufacturers examine the potential of this cluster with great interest. There are signs of growing market saturation; but, as this report indicates, significant niches remain to be explored.
- Tall customers are a small but fast-growing segment of the total apparel market, increasing from around x% in 2005 to approximately x% worldwide in 2008, a xx% increase in three years. The reasons for this are the improving quality of diet and medical treatment, both of which are strong indicators of the average height of a given population. This market is the most under-represented of the outsized segments; this report presents a full market overview, as well as opportunities in which to profit from this global market gap.

This report will describe these markets and their projected growth in detail, as well as trends in the clothing industry.

# Chapter 1 Petite size

**Table 1: Proportion of petite size to total US apparel market 2005-2014 (% of sales)**

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
xxx%	xxx%	xxx%	xxx%	xxx%	xxx%	xxx%	xxx%	xxx%	xxx%

Source: US Department of Commerce, *just-style*

Petite clothing is defined by Francine Goldberg, editor of the website *Petite Resource*, as “[exclusively] *designed for women under 5’4” [1.63m]. It is about height, not about weight. Petite clothing can come in sizes from 00P to 14P, 16P, or sometimes 18P.*” Dana Buchman, a women’s apparel designer for stores such as Nordstrom’s and Saks, informed *just-style* in a September 2008 interview that the petite apparel market was US\$xxbn globally in 2007. Buchman additionally forecast that revenues for this market, despite recent economic troubles, will grow more than x% per year to reach US\$xxxxbn globally by 2012. The reason for this growth in revenue, despite a relatively stable sales outlook, is that average unit prices for this apparel segment are growing quickly. Buchman explained that this is due to an increasingly niche market driving up prices, as well as higher quality and fit commanding a premium of this segment’s consumers.

Teresa Le, founder and chief designer for TLE Designs, a designer specialising in petite apparel, stated in an exclusive September 2008 interview to *just-style* that the revival of petite in the United States “*is happening in a large part because of immigration. Foreign women tend to be less tall than the average American woman, so the demand for clothing that looks good and fits them well goes up. And big stores like Macy’s are reacting to that.*” Big-box stores such as Macy’s, JCPenney and Nordstrom all have created or expanded their petite departments. A growing amount of specialty petite stores – such as the Talbot chain – have both retail and online locations. Even with explosive growth, this market is less than saturated. Saks, for example, tried to eliminate its line of petite clothing in 2006, only to revive it less than a year later after strong protest from their client base.

## Chapter 2 Plus-size

Table 2: Proportion of plus-size to total US apparel market 2005-2014 (% of sales)

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
xxxx%	xxxx%	xxxx%	xxxx%	xxxx%	xxxx%	xxxx%	xxxx%	xxxx%	xxxx%

Source: US Department of Commerce, *just-style*

Plus-sized is a generic term for apparel targeted to individuals of large build. The term technically refers to apparel labels size (US) 14/(UK) 16 and up for women and above XL for men. Eric Shippam, managing director of online retail of plus-size Body Wise International, explained to *just-style* in an August 2008 interview that: “*plus-size apparel sizes are [organised] either numerically – 14,16,18, etc. – or by the ‘X’ method. The ‘X’ method uses letters ‘X’ and ‘XL’ and a number together. A sizing would go like ‘X, 1X, 2X, XL, 1XL, 2XL,’ etc. Or they use more ‘X’s, which goes like ‘XL, XXL, XXXL.’*” More and more, designers prefer to use a customised sizing to help customers buy products without putting them off with unflattering size numbers.

Shippam goes on to explain that most brands that use the ‘X’ sizing method – typically American – will have sizes up to 3XL in their standard product lines. It is common for the letter ‘W’ to appear after the number to designate ‘Woman’ (e.g. ‘16W’), denoting sizing specifically designed for a woman of large build. Though not standard international practice, this has become increasingly common as the plus-size market matures and more consumers enter the plus-size market.

Garments over a size 28 in the UK or 5X in the United States are often referred to as ‘Extended Size’ or ‘Supersize’. This market niche has grown much faster than the apparel market rate as a whole. Though the actual growth is difficult to measure, due to numerous sizing conventions, Shippam believes that this segment has grown over xx% in units sold from 2005 to 2008, with similar growth expected to 2014. The availability of this product segment has gone up significantly, lowering the average price per unit. This segment has proven a boon to direct-order channels such as catalogues and

## Chapter 3 Tall size

**Table 3: Proportion of tall size to total US apparel market 2005-2014 (% of sales)**

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
xxx%	xxx%	xxx%	xxx%	xxx%	xxx%	xxx%	xxx%	xxx%	xxx%

Source: US Department of Commerce, Immigration and Customs Enforcement, *just-style*

The definition for ‘tall’ clothing is generally accepted to be that designed specifically for heights above xxxm for women and over xxxm for men. According to May 2008 *Women’s Wear Daily* data, this market had estimated revenues of US\$xbn in 2007, with a x% increase estimated for 2008 despite global economic turmoil. In a September 2008 interview to *just-style*, Joerg Estelmann, editor of the website *www.tallwomen.org*, said that “*clothes for tall women is the final frontier*”. Clarifying the remark, Estelmann explains that most stores have clothes for plus-size and smaller customers, but none for taller customers, especially women. Indeed, secondary research shows that this market is underdeveloped for men across the globe, with only a few specialised stores and internet sales channels. “*For women, the situation is even bleaker. There are many places even in Europe that clothing for tall women can’t be found, even in the Netherlands, which has the largest average heights in the world.*” Estelmann adds. Creative solutions, such as having clothing tailor-made or even shopping in the men’s section, are not acceptable even in what, theoretically, should be a buyers’ market.

Jennifer Caputo, co-founder and Chief Experience Orchestrator of Tall Couture, said to *just-style* in an October 2008 interview that “*my sister [Rebecca Caputo, co-founder and Chief Style Guru] and I are both over six feet [1.84m] tall. We’ve always had a really tough time finding clothes that fit right. We did a lot of research and found that about x% of American women were over 5’8” [1.73m] tall. That’s over 8m women just in the US! We realised then that this was an untapped market.*”

More and more companies have found that tall men and women are a significant market share, and are rushing in to cash in. Both Macy’s and Ann

# Chapter 4 Measurements and marketing

## Measurements

The single most important event in recent history for apparel is the measurement revolution that has taken place since 2001. Historically, clothes were made to suit by tailors. The American Civil War of 1861-1865 changed that: tasked with the enormous challenge of clothing thousands of Union soldiers at once, the industrially-powerful North started to generate standard uniform sets for the combatants. In fact, this was the practice that gave the apparel their present nomenclature. Once the war was won, textile mills found that they could continue to sell finished clothing as a value-added product at much higher profitability at lower overall costs.

This 'few sizes fit all' philosophy continues in large part to this day, but cracks have started to appear in its façade. For one, there is larger variation in body measurements per local population – social and migratory patterns effectively 'doubled the grid' (made the standard size numbers double in amount in order to accommodate a standard demographic cross-section) in places such as Brazil and China. Globalisation has also affected clothing measurement standards. It is in the manufacturer's interest to minimise the number of SKUs that serve a market due to economies of scale. On the other hand, this creates gaps where the standard sizes simply do not fit, such as in the Netherlands, where the height of the average citizen has increased 20cm since 1900. Half of this increase has occurred since 1980.

For another, it is finally realistic to capture and express three-dimensional, complex curve measurements easily. This is mainly due to improvements in scanning and information technology since the first years of the 21st century. These measurements can also be translated into direct instructions to production line manufacturing systems that can automate their incorporation into actual apparel, eliminating the costly and hard-to-scale layer of humans following the same instructions. This has had two effects: one, templates change almost daily as CRM data is refined to indicate 'optimum' measurements; the other is the return to custom-made apparel fabrication by companies such as the UK's Bodymetrics and the American Lee's by Design.

## Chapter 5 Market projections and trends

The US plus-sized market has been growing above xx% annually in 2007 and 2008. According to *Women's Wear Daily*, it is expected to remain that way to at least 2012, though the overall apparel market growth rate has been only x% for 2007 and 2008.

- By 2014, the market for plus-sizes in the US is expected to reach US\$xxxxbn and will represent xxxx% of all US apparel sales.
- The potential market is over US\$xxxbn in 2008.
- Technology to customise clothing for an individual will become commonplace in the future.
- Vanity sizing is expected to grow in popularity.
- Outsize consumers display strong loyalty to brands and the retailers if they are able to connect with them. Plus-size customers currently tend to buy fewer clothes, making them a currently underdeveloped apparel market.

**Table 5: US market for total apparel, 2005-2014 (US\$bn)**

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx

Source: US Department of Commerce, *just-style*

**Table 6: US market for plus-size apparel, 2005-2014 (US\$bn)**

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx

Source: US Department of Commerce, *just-style*

# Fax order form

*Just-style*

Product Ref	Report Title	Price (£ / \$ / €)
70558	Global market review of outsize clothing – forecasts to 2014	£595 / \$892.46 / €714.03

<b>Name:</b>	
<b>Company Name:</b>	
<b>Address:</b>	
<b>Post / Zip code:</b>	
<b>Telephone no:</b>	
<b>Fax no:</b>	
<b>Email address:</b>	
<b>VAT number:</b> (if applicable)	
<b>Purchase order number:</b> (your ref)	

**How would you like to pay for your order? Please complete the details below**

<b>Payment method:</b> (please circle)	<b>Visa</b> <b>Mastercard</b> <b>AMEX</b> <b>Profroma invoice</b>
<b>Which currency would you like to use?</b> (please circle)	<b>£ - GBP</b> <b>\$ - US dollars</b> <b>€ - EUR</b>
<b>Credit card number:</b>	
<b>Credit card expiry date:</b>	
<b>Name on credit card:</b>	
<b>Security code on credit card:</b>	

**Please fax this form to: +44 (0)1527 577 423**

Aroq Ltd , Seneca House , Buntsford Park Road , Bromsgrove , Worcs , B60 3DX , UK .

Tel: Intl +44 (0)1527 573 600 , Toll Free from US: 1-866-545-5878

[www.just-style.com](http://www.just-style.com)