

Clothing Retailing - UK - October 2011

Report Price: £1750 / \$2837 / €1995



“As the cross channel shopper emerges as a higher spending customer, every retailer must ensure it doesn’t compete against itself by making stores and the website equally relevant and compelling and by driving customer traffic in both directions.

Although certain inflationary pressures are about to annualise (input prices towards the end of this year and VAT at the start of 2012) and that will ease pressure on retailers’ margins, a gloomier outlook for young people could mean a gloomier outlook for the clothing market unless better added value opportunities and promotions are explored”.

– Hilary Monk, Senior Retail Analyst

In this report we answer the key questions:

- Are retailers maximising the potential of the stores channel?
- Are younger people spending less?
- Where are the value added opportunities?
- Which consumers want more choice?

The UK clothing market has become even more competitive in 2011. Inflationary pressures (particularly from food, transport and utilities) continue to outstrip wage growth and the effect of reduced purchasing power has seen consumer budgeting on the rise. Mintel’s British Lifestyles report – August 2011 shows that as people are forced to absorb the additional costs of necessities they are cutting corners in other areas and clothing has been one of the primary victims.

This means clothing retailers are under enormous pressure to minimise price increases despite the VAT rise at the start of this year and significantly higher input prices. Some retailers, particularly budget players like Primark have endeavoured to absorb higher costs to keep sales volumes moving. But with less room for manoeuvre than more premium retail brands this has seriously squeezed their margins.

Your business guide towards growth and profitability

A Mintel report is your one, best resource for information and analysis on consumer markets and categories.

Each report contains:

- Primary consumer research
- Market size and five year forecast
- Market share and segmentation
- Brand and communications analysis
- Product and service innovation

To see what we cover in this report click on the report's "contents" section.

If you have any questions or require further information, send an email to oxygen@mintel.com or call one of our regional offices:

EMEA: +44 (0)20 7778 7151
Americas: +1 (312) 932 0600
APAC: +61 (0)2 8284 8100