

# INSIGHTS

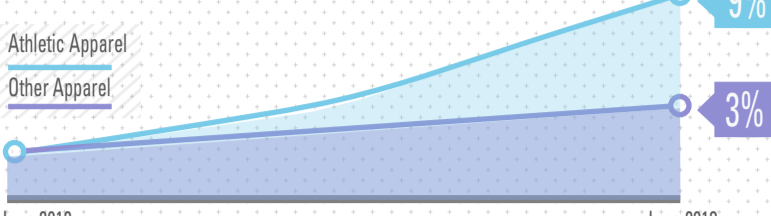


## ATHLETIC APPAREL: A ROBUST MARKET

Retailers and brands have shifted to capitalize on the estimated \$30 billion dollar a year market for athletic apparel.\*

According to Cotton Incorporated's *Retail Monitor*™ survey, retailers and brands have been adding to or expanding their athleticwear lines (10% to 13%) in the past year.

Athleticwear sales have grown at a faster rate than overall apparel sales in the 12 months ending June 2012†.



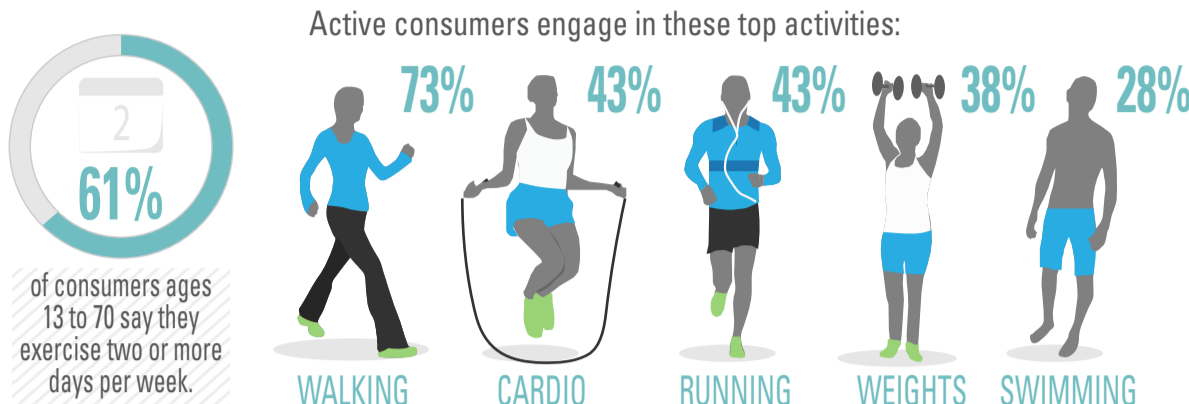
\$30 Billion Dollar Market

### KEY INSIGHTS

- Brands and retailers can increase sales within the growing active wear market by meeting consumer needs for comfort, fit, and performance.
- Consumers are used to paying full price for athletic apparel, as it is less likely to be offered on sale compared to other types of clothing.
- While active consumers purchase the majority of athletic apparel sold, a market opportunity does exist with non-active consumers; one-third of non-active adults own athleticwear.
- Almost all consumers (97%) said they would prefer a cotton alternative with the same performance features as synthetic active apparel or would be willing to try it.

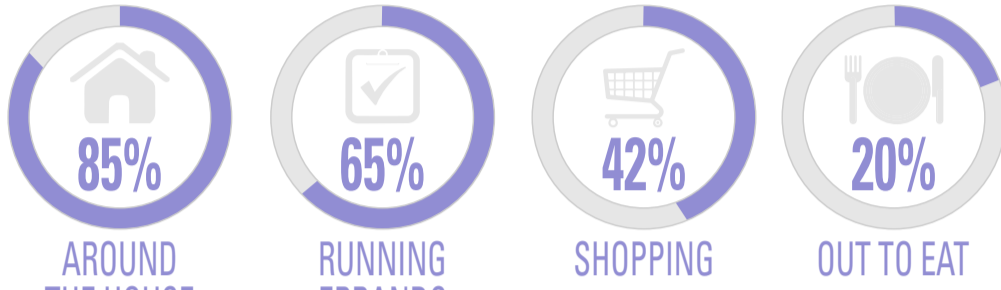
### MARKET GROWTH

Continuing to grow the market will still depend on the active consumers, who are the crux of the athletic apparel market; however, non-active adults could also represent an important opportunity for growth.



## CLOTHING OWNERSHIP

Athletic apparel has increasingly become a part of consumers' lifestyles. Active consumers wear their athletic apparel when they are:



### NOT JUST FOR SPORT

Athletic apparel is not just a reflection of consumers' fitness activities. More than nine out of ten (93%) consumers (up from 87% in 2009) also wear their athletic apparel for activities other than exercising.



Average amount spent on athletic apparel per month (\*Among those who purchased in the past month)



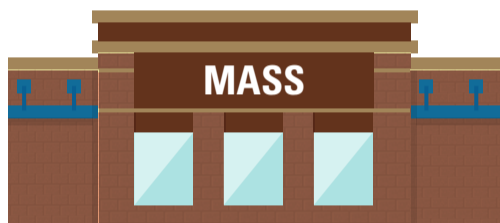
37% Wear only or mostly athletic apparel when exercising.



50% wear a mix of athletic and non-athletic clothing such as T-shirts or shorts.

## RETAIL ACTIVITY

Active consumers say they purchase most of their athletic apparel from mass merchants and sports stores.



30% SHOP MASS MERCHANTS  
Women and consumers ages 25 to 60 are more likely to shop at mass merchants (e.g., Walmart, Target, Kmart).



28% SHOP SPECIALTY STORES  
Men and young consumers ages 13-24 are more likely to shop at sport specialty retailers (e.g., Dick's Sporting Goods, Sports Authority).

### A MASS & SPECIALTY WORLD

Consumers say they choose to shop at mass merchants because they offer good prices and shop sport specialty retailers due to good selection and product variety.

Typically, consumers pay full price for athletic apparel, as it is less likely to be offered on sale than other apparel.

38% ATHLETIC APPAREL  
38% of athletic apparel is offered on sale.

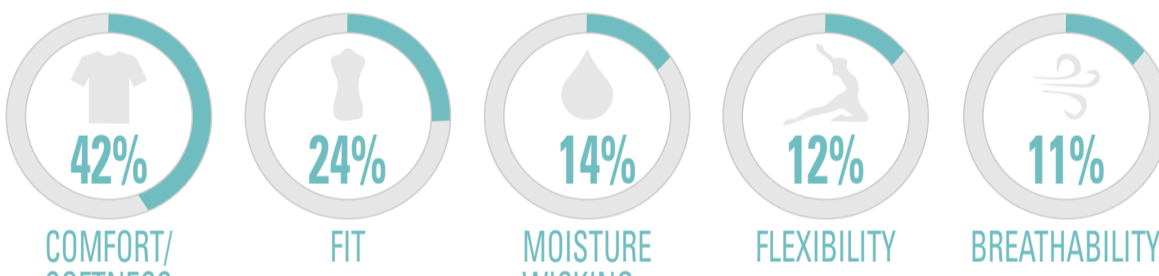
42% OTHER APPAREL  
42% for other types of clothing is offered on sale.

### Favorite Athletic Apparel Brands:



## COMFORT, FIT, AND PERFORMANCE

Active consumers report liking these attributes in their favorite athletic clothing:



### COMFORT COMES FIRST

Consumers say fit/comfort, price, durability, and breathability are the most important factors affecting their decision to purchase athletic apparel.

Brands and retailers can increase sales in the active wear market by meeting consumer needs for comfort, fit, and performance.



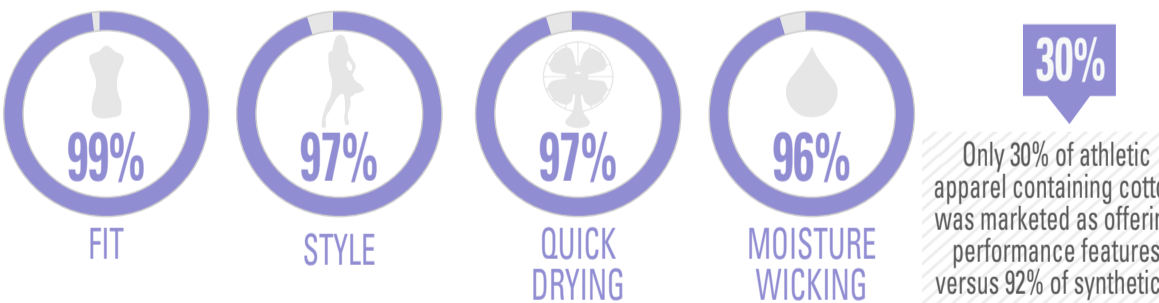
Women are more likely to say comfort and flexibility are important (perhaps due to the increasing popularity of activities such as yoga).



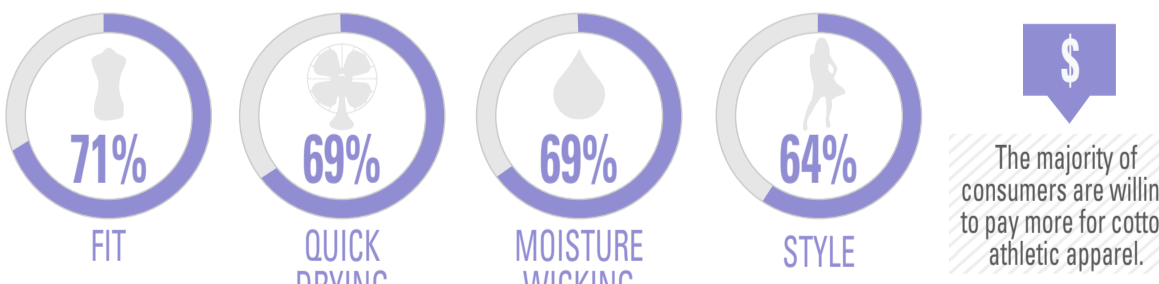
Men, who are more likely to participate in high endurance exercise, find performance features more important than women.

## MARKET OPPORTUNITIES

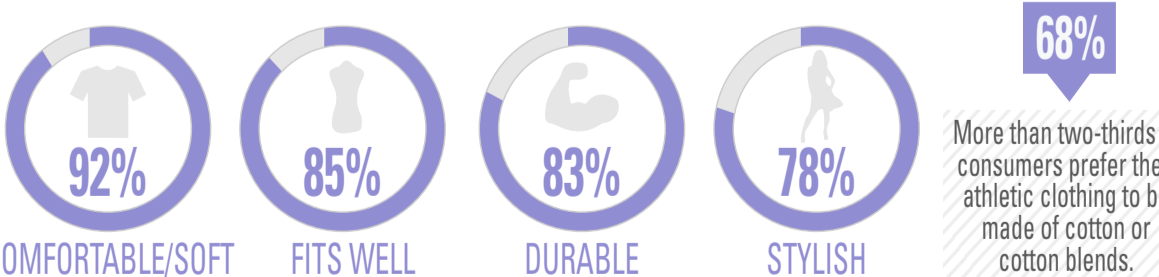
Over 90% of consumers are likely to purchase cotton athletic apparel over synthetics, if it performs similarly in these areas:



A majority of consumers are willing to pay more for cotton athletic apparel, if it performs similarly in these areas:



Qualities that consumers desire in athletic clothing are the same qualities that they associate with cotton. Most consumers describe cotton athletic apparel as:



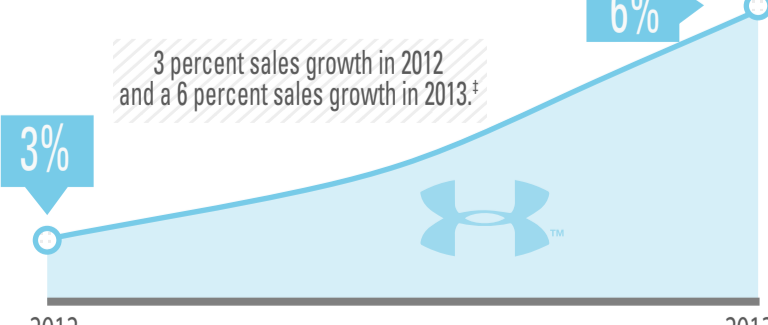
## A CASE STUDY

### SUCCESS WITH COTTON

One of the top athletic apparel brands among U.S. consumers, Under Armour, has reaped the benefits of providing cotton activewear.

\$300 - 450 MILLION

Expected sales over the next five years for Under Armour's® Charged Cotton® line according to industry analysts.



\*Active consumers are those who exercise two or more days a week.

Primary Sources: Cotton Incorporated's 2012 Sports Apparel Study, Cotton Incorporated *Lifestyle Monitor*™ survey, Cotton Incorporated's *Retail Monitor*™ survey

Industry Sources: \*Sporting Goods Manufacturing Association (SGMA), †NPD, and ‡Morgan Stanley

Learn more about Cotton Incorporated's Moisture Management Technologies