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# Consumer Preferences

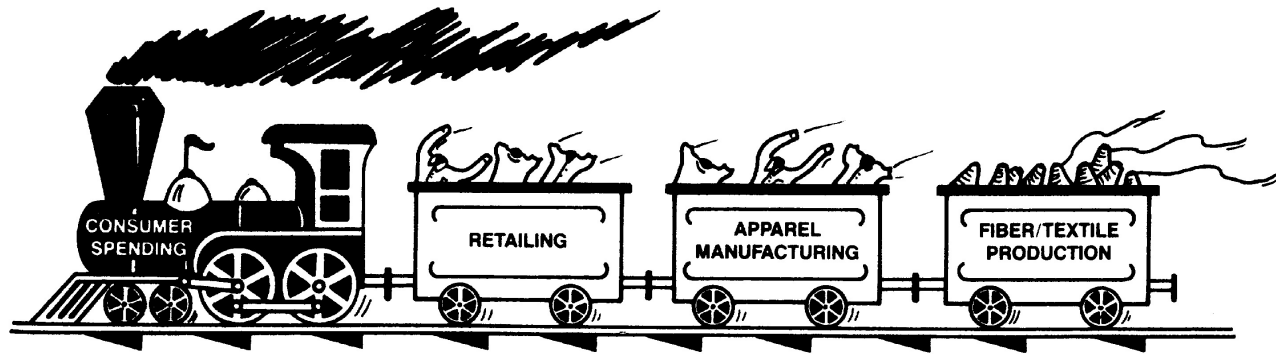
Produced for the CRC for Premium Quality Wool undergraduate program by;  
Dr. Peter Auer, The University of New South Wales.



# Consumer Spending

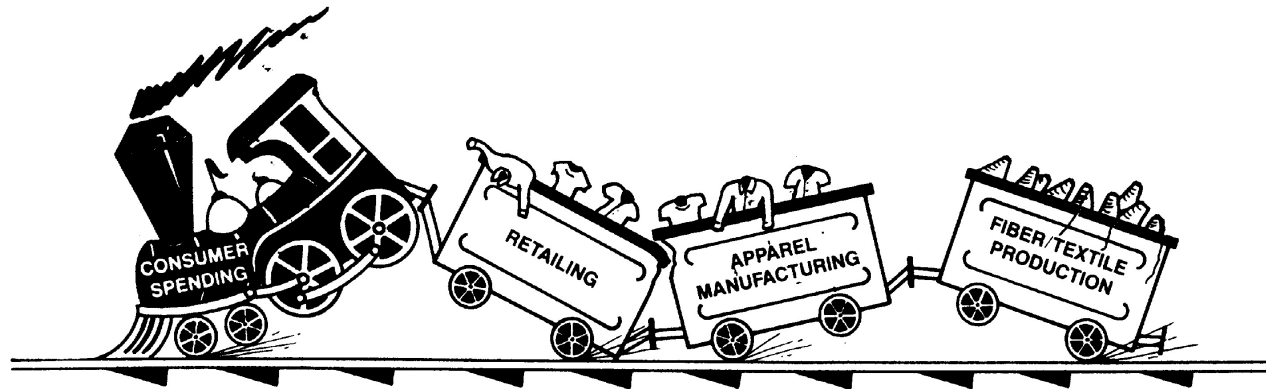
**FIGURE 8-4**

Using apparel purchases as an example, the train—led by consumer spending (the engine)—moves at a healthy rate and the segments are moving together.



**FIGURE 8-5**

This train shows the impact of a sharp slowdown in consumer spending.



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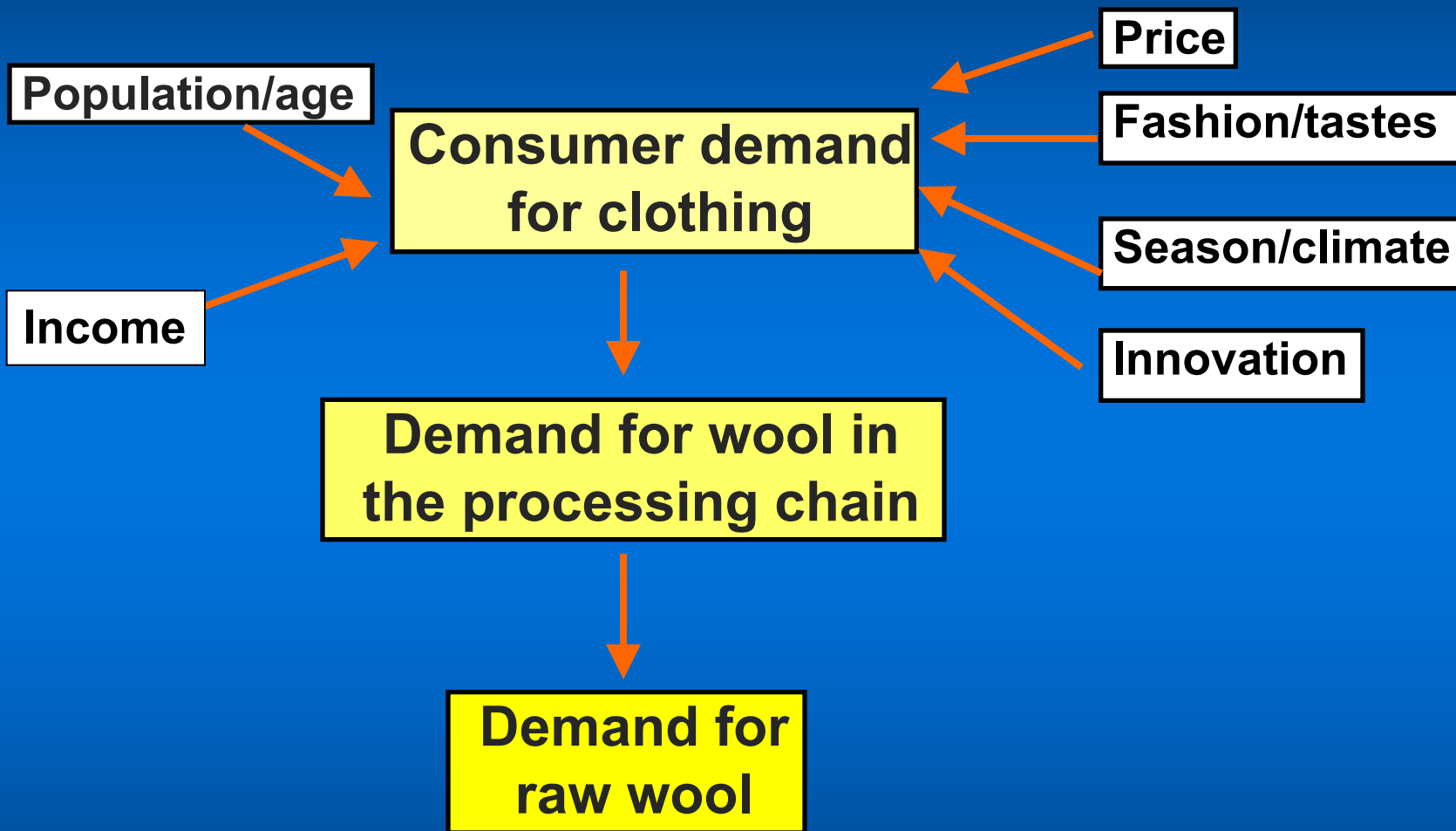
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# Drivers of Derived Demand



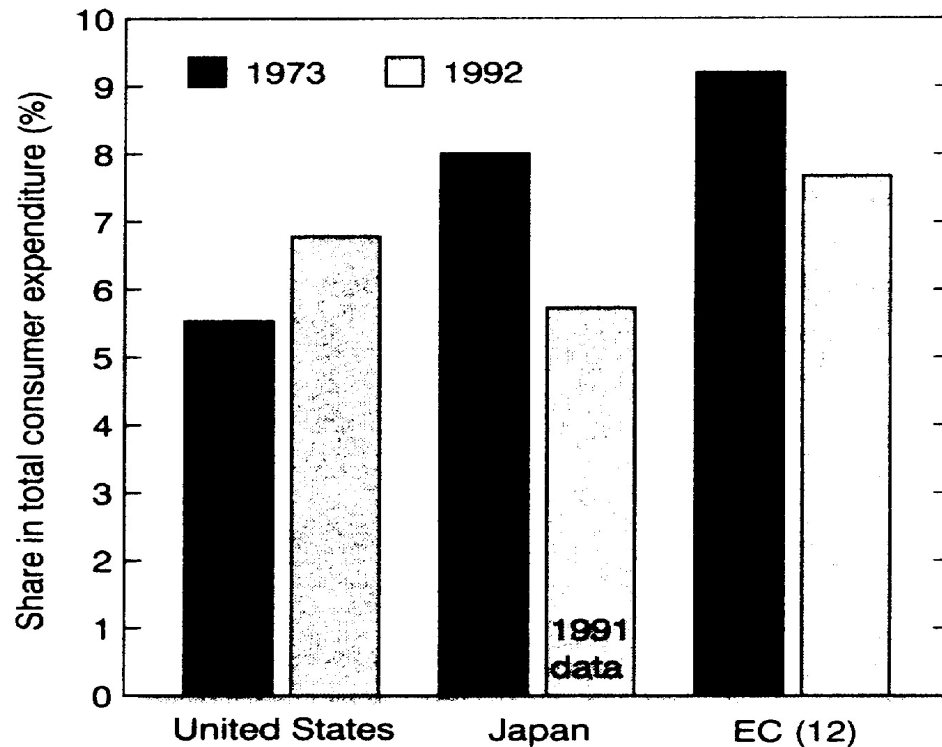
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# Clothing: share of expenditure

**FIGURE 7-7**

Share of clothing (including footwear) in total consumer expenditure, select developed countries, 1973 and 1992 (1980 prices).



Source: Personal correspondence with GATT economist, based on OECD National Accounts and National Statistics

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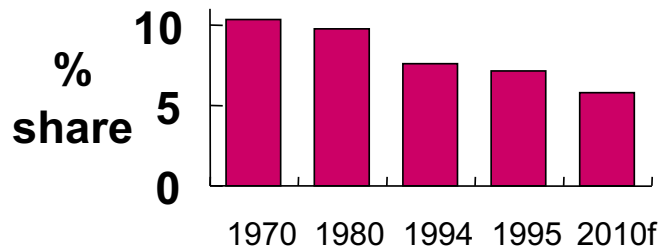


# Competition for Our \$

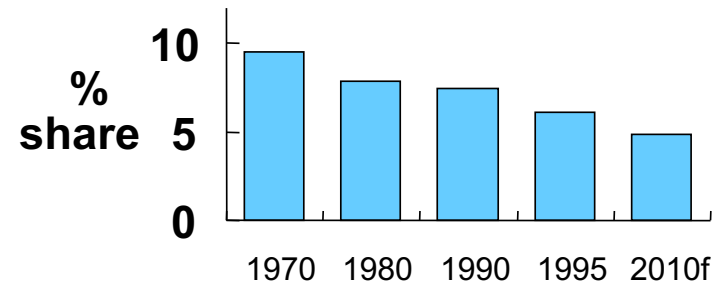
## Share of household expenditure on clothing

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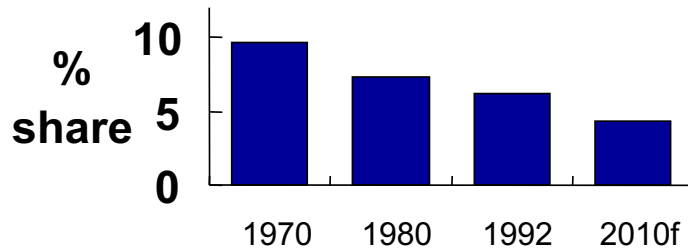
### Germany



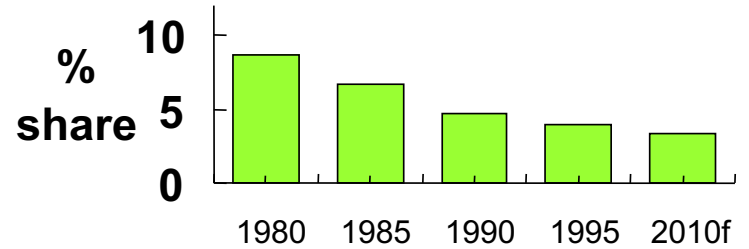
### Japan



### France



### Korea







# Australia: Spending Patterns

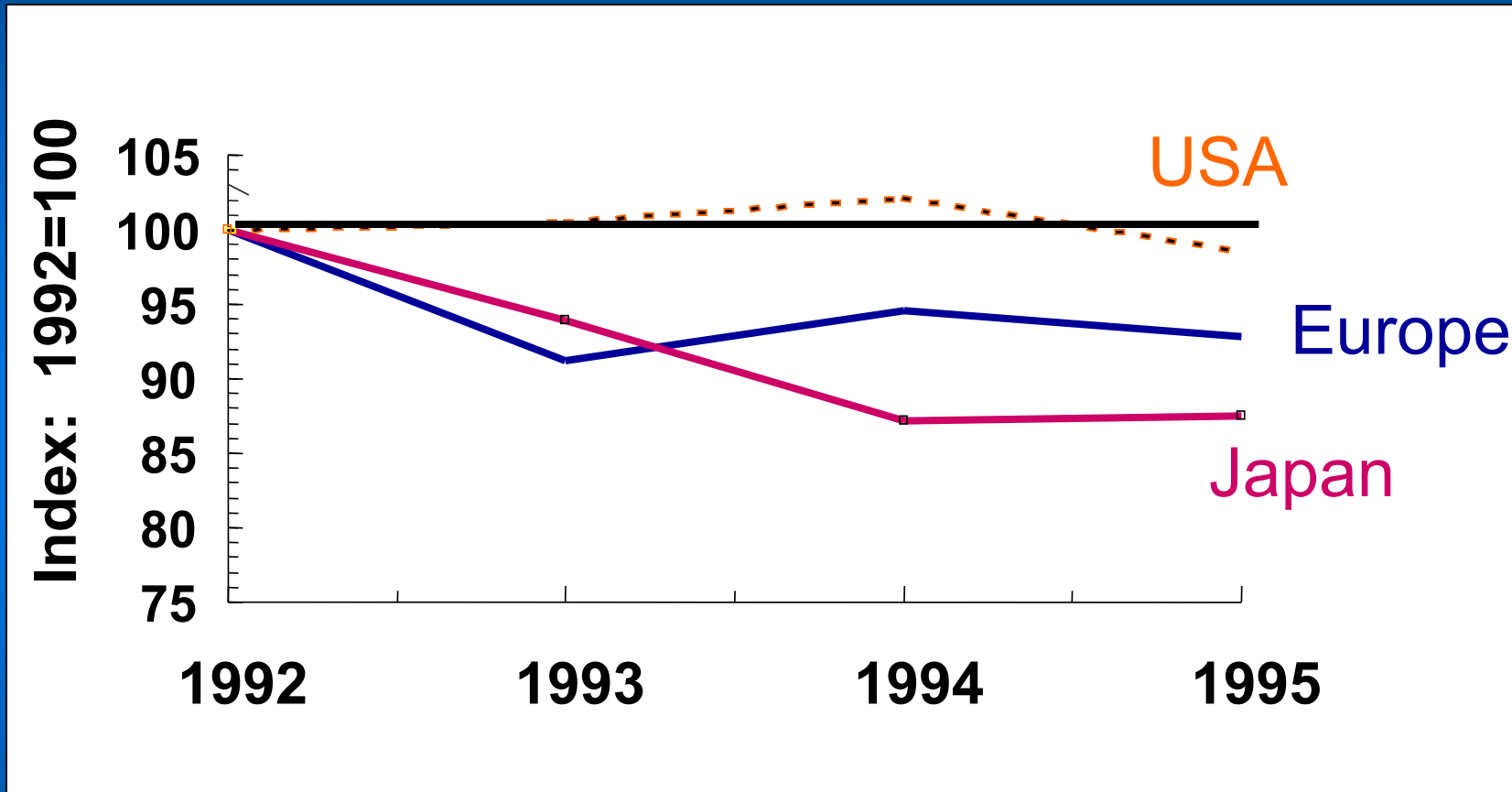


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# Apparel Prices Under Pressure



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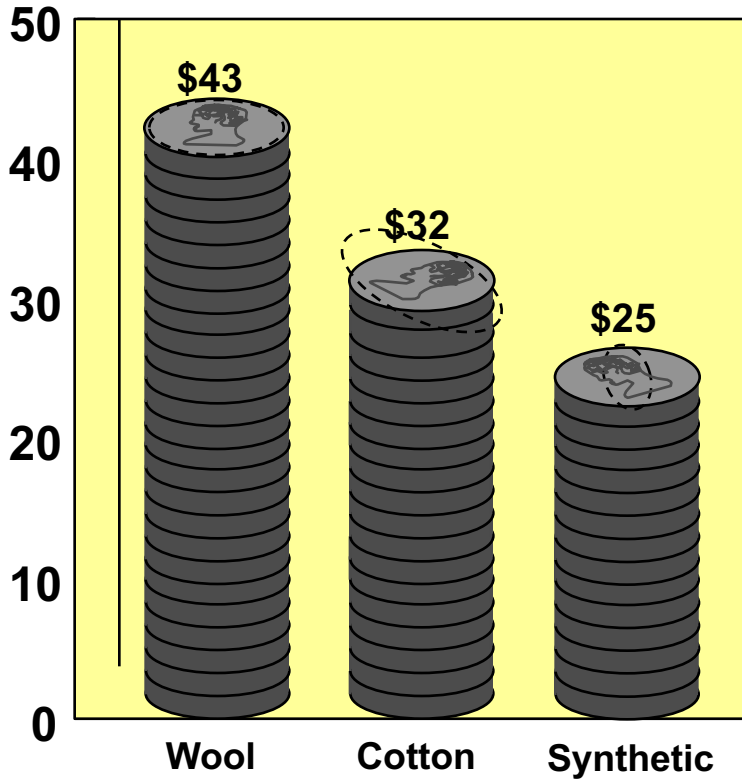


# Average Retail Prices

## Italy, Japan, UK, USA

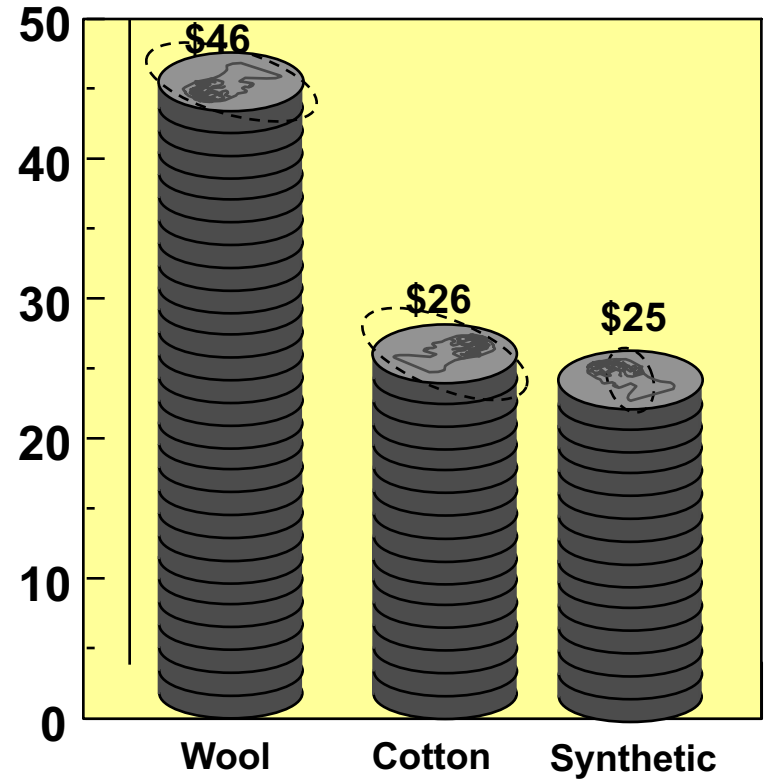
### Knitwear

Average price \$/piece



### Trousers & Skirts

Average price \$/piece



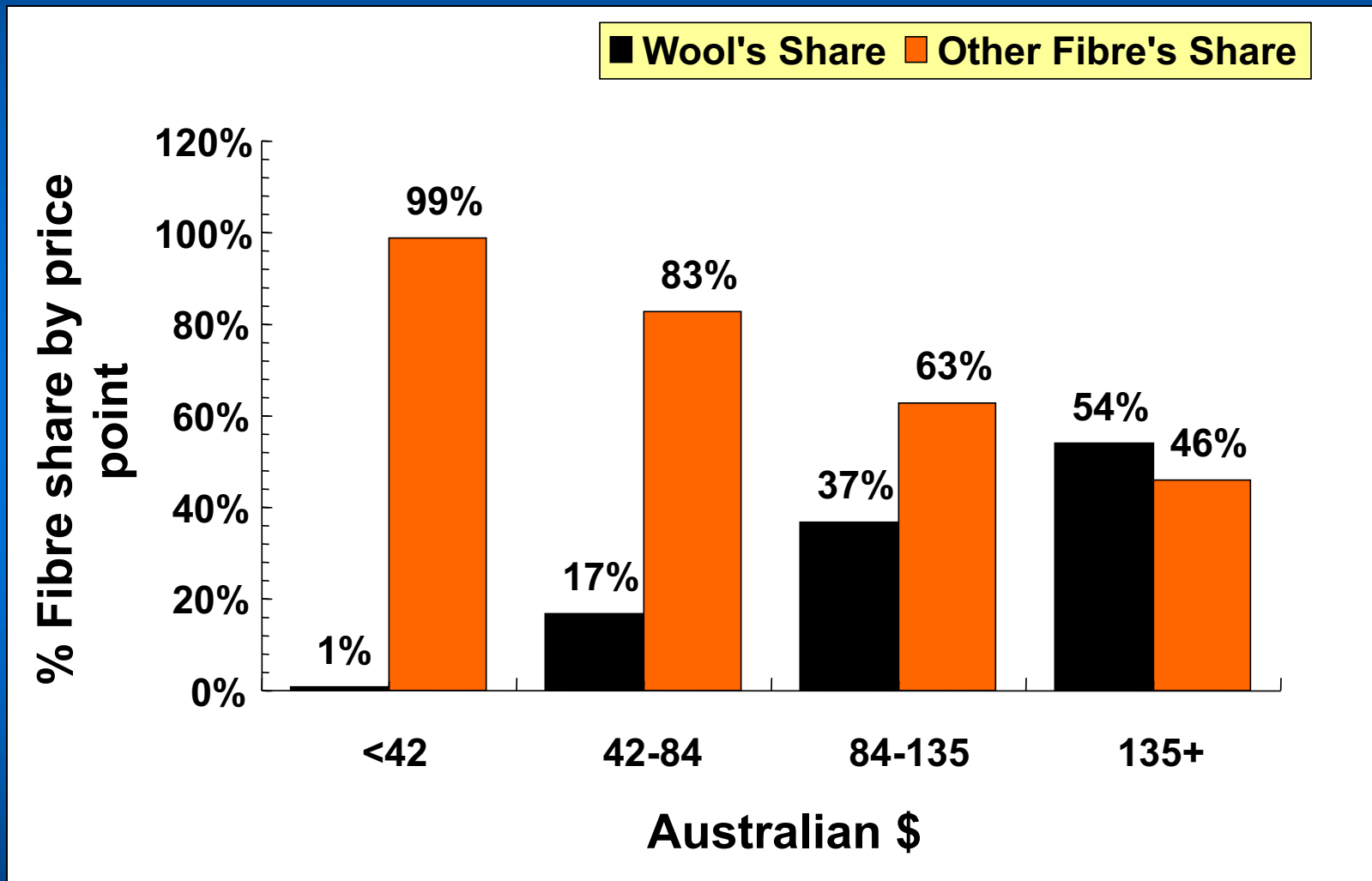
\* Including fibre rich blends and at purchasing power parity exchange rates.

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# Price Distribution Germany 1994 - Men's Trousers

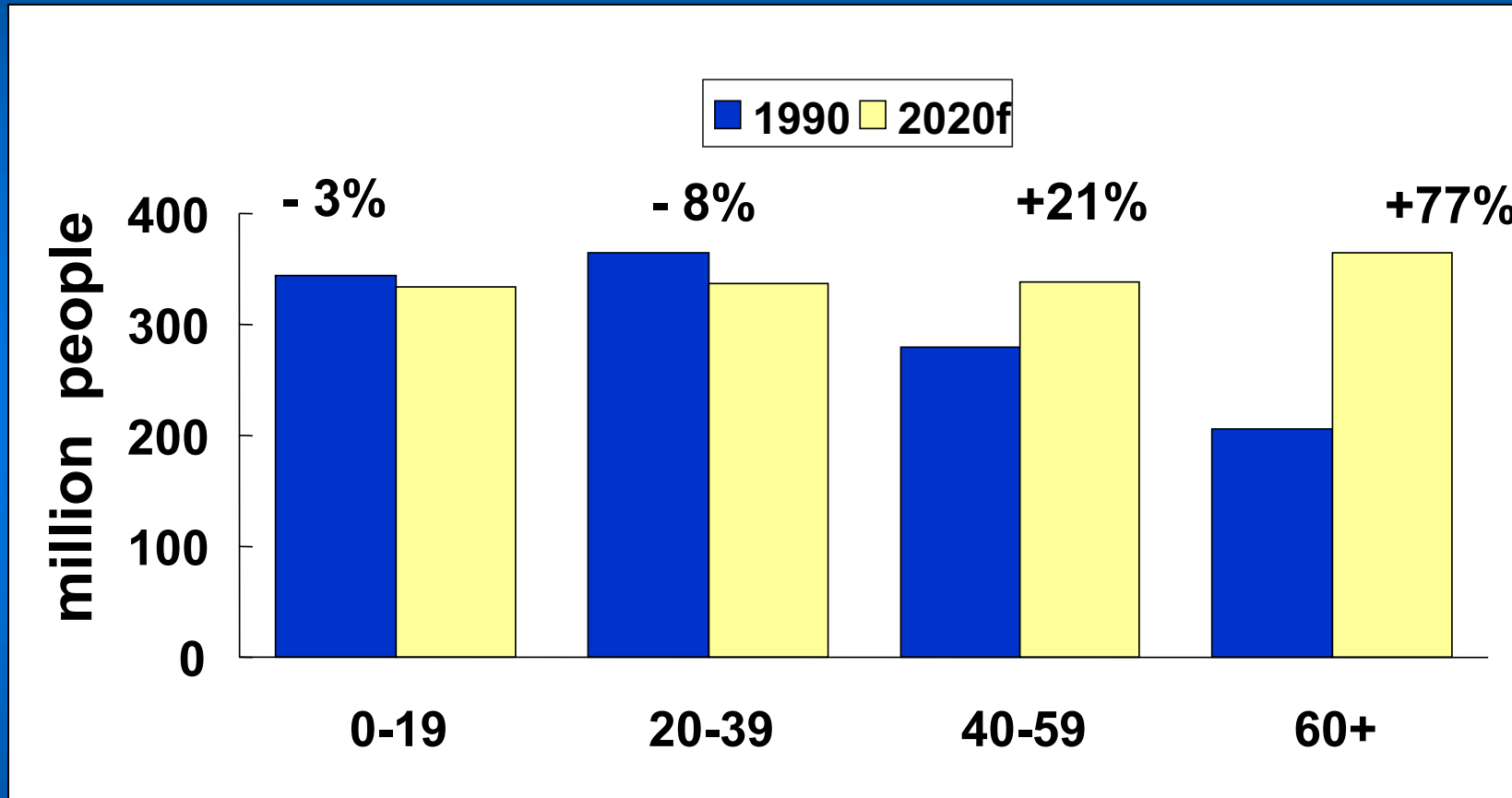


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# An Aging Population

more developed markets (Japan, Americas, Europe & CIS)



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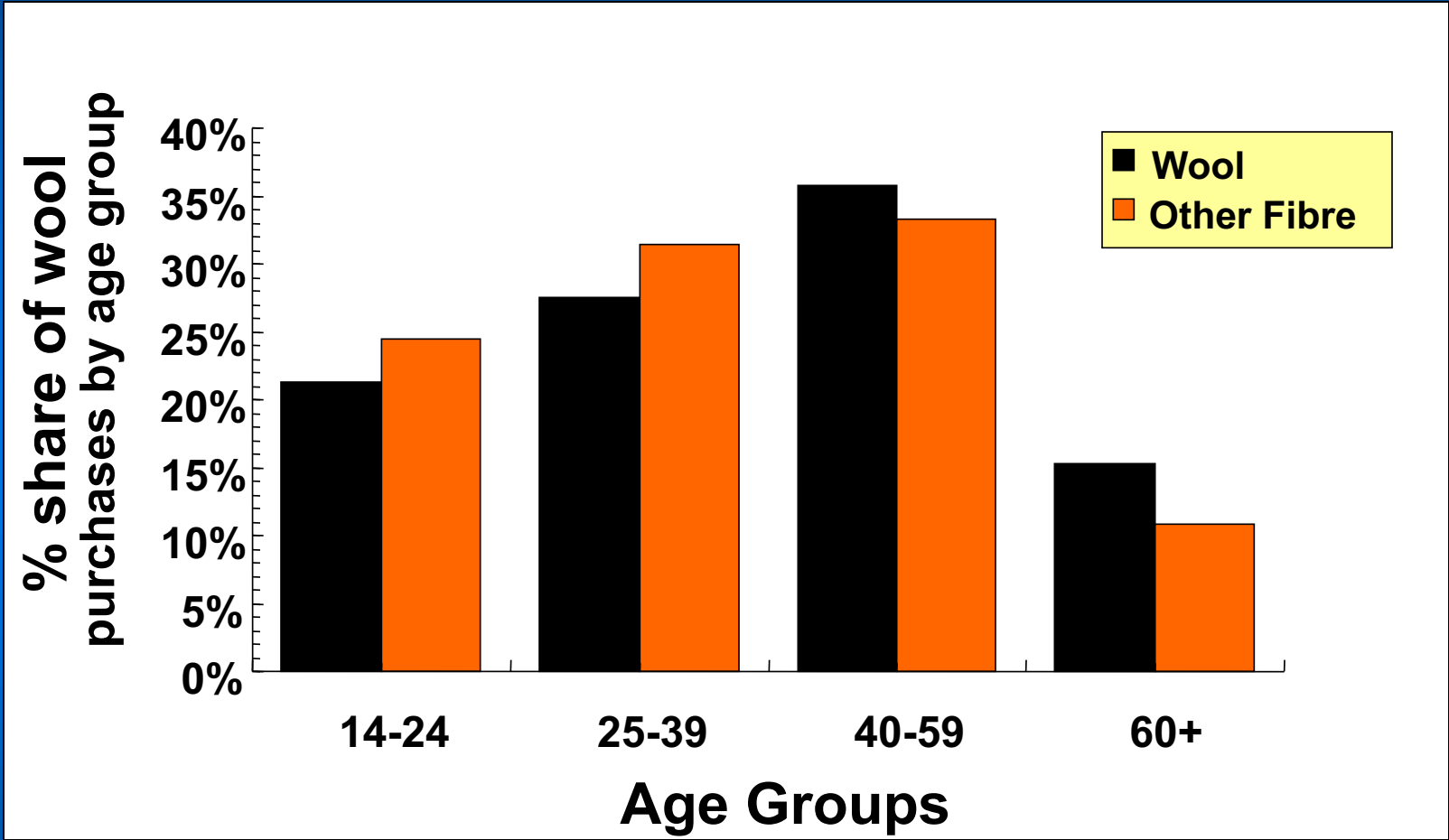
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# Wool Purchases by Age



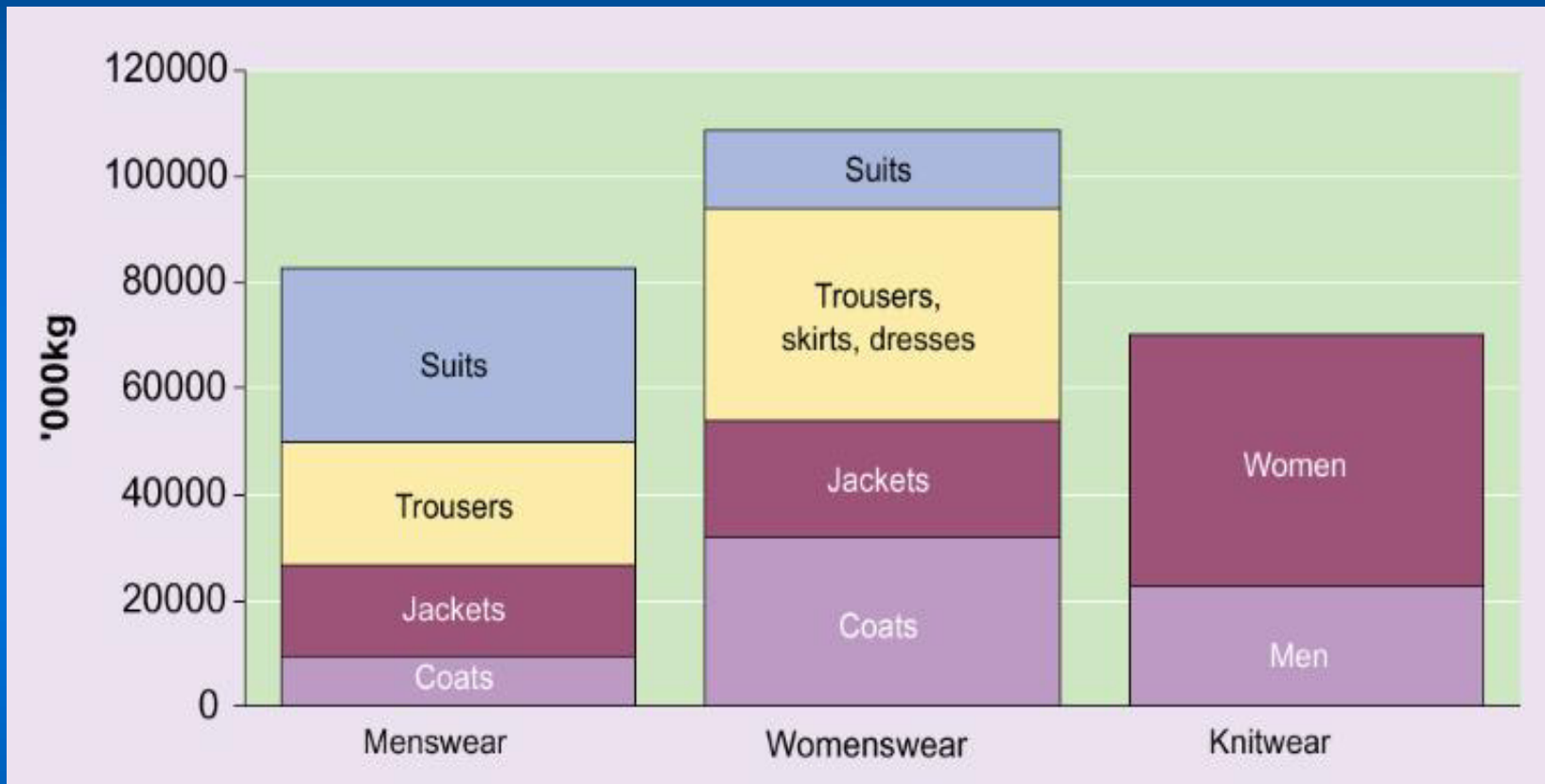
- Australian Womenswear (sweaters, cardigans, sweatshirts)

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# Purchases by Garment Type

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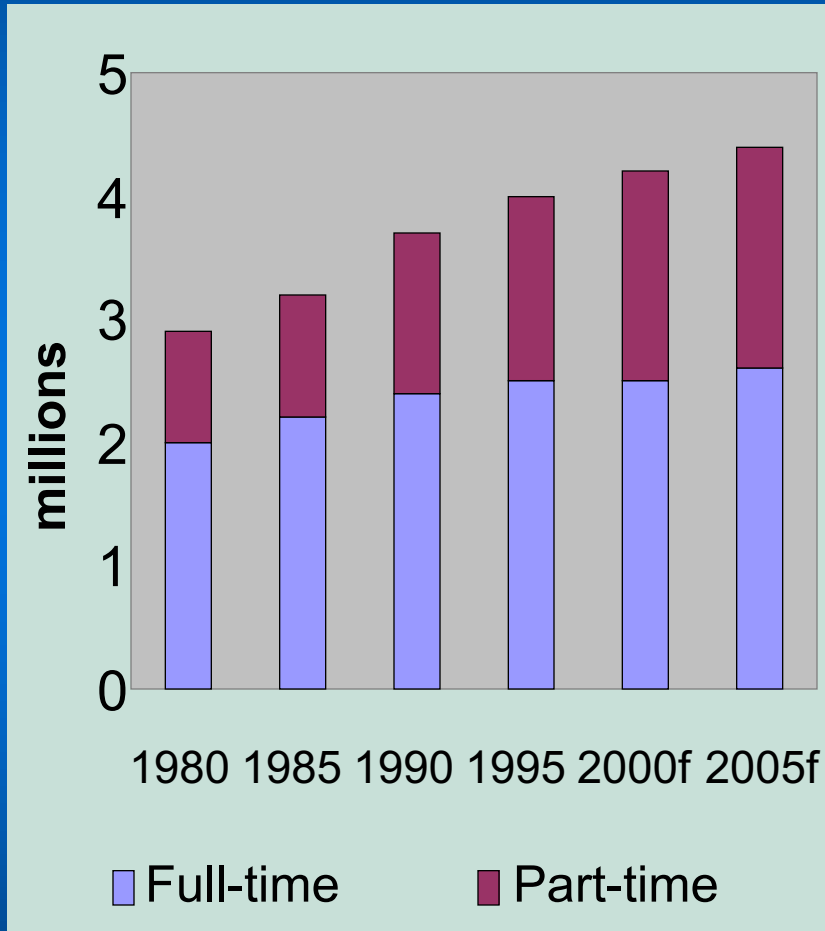


Source: Estimated by The Woolmark Company from Consumer Purchase Research.

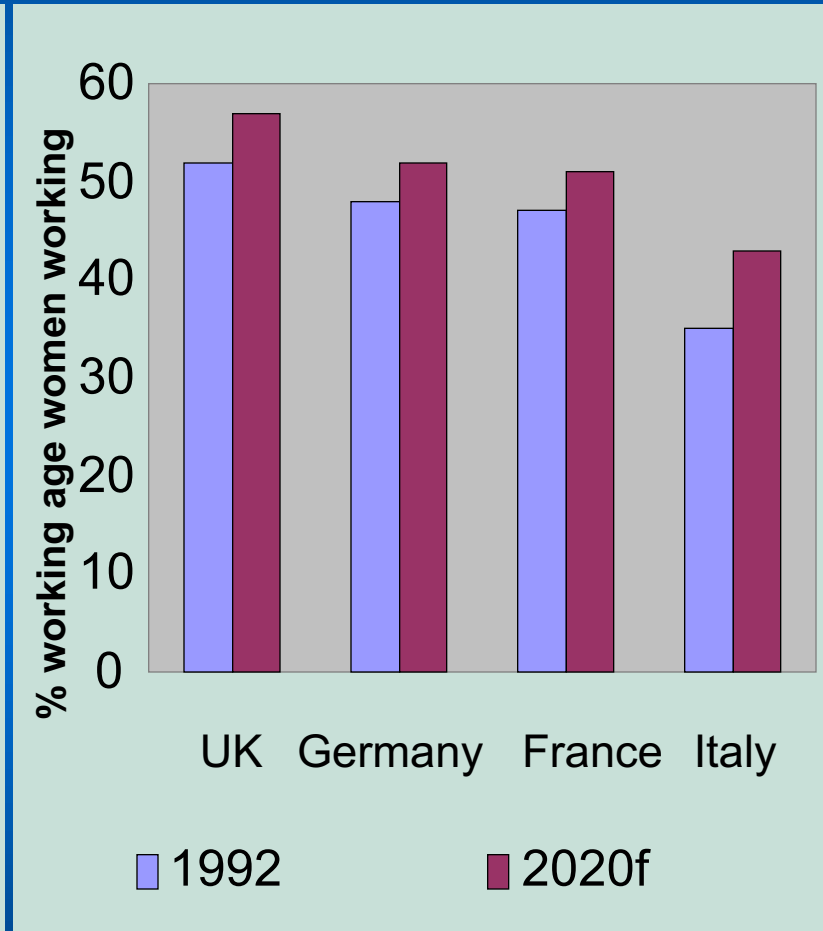


# Women at Work

## Australia



## Europe



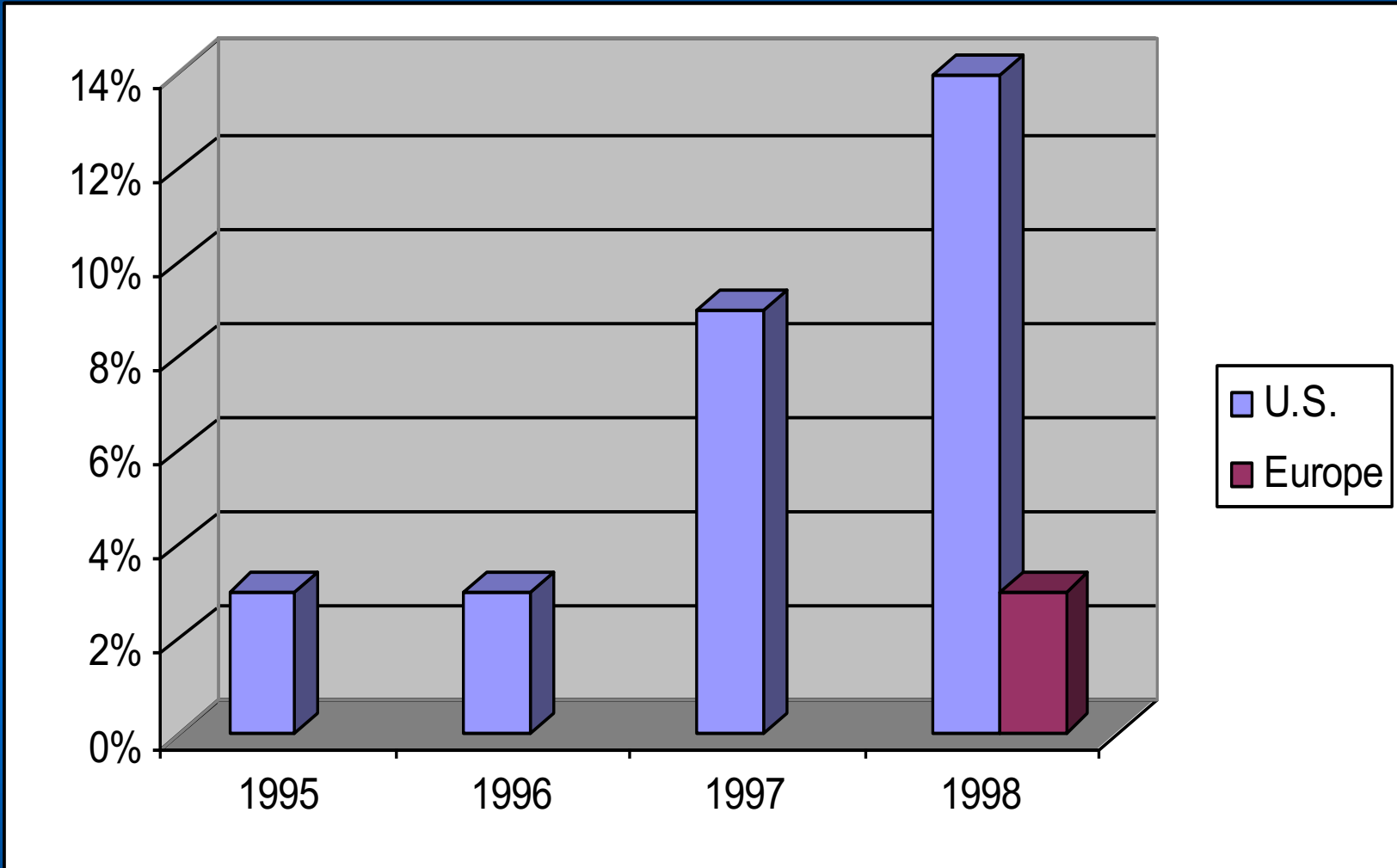
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# On-line Purchasers

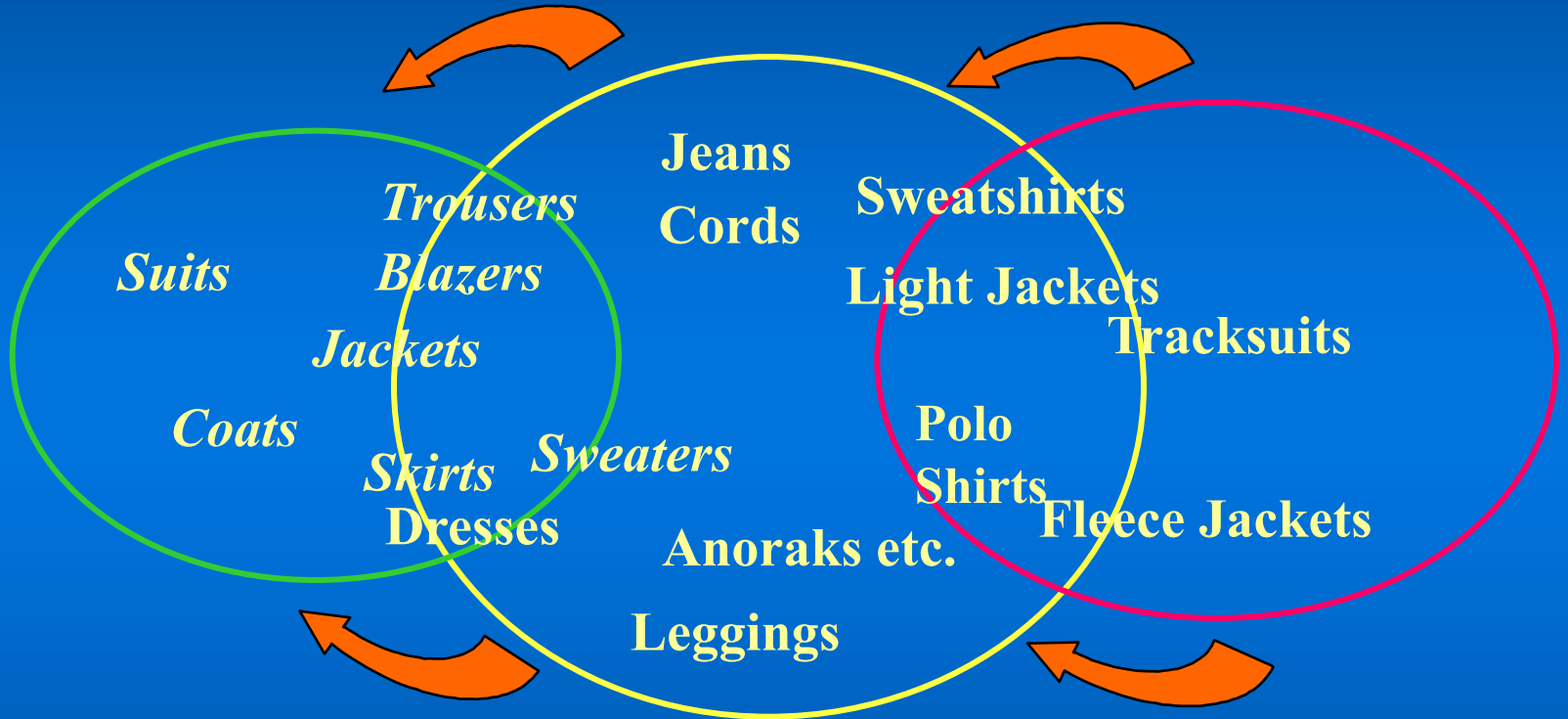
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# Core Sectors Under Pressure

FORMAL/TAILORED      CASUAL      SPORTSWEAR/ACTIVE



## USAGE

Business/Social

Everyday / Homewear

Sports/  
Young Leisure

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# Global Apparel Expenditure

	Formal	Casual	Sport
<b>1996</b>	247	747	68
<b>2010f</b>	315	969	186

– growth at 2.5% per year

- **Sport**
  - from 6 to 13%
- **Casual**
  - largest sector

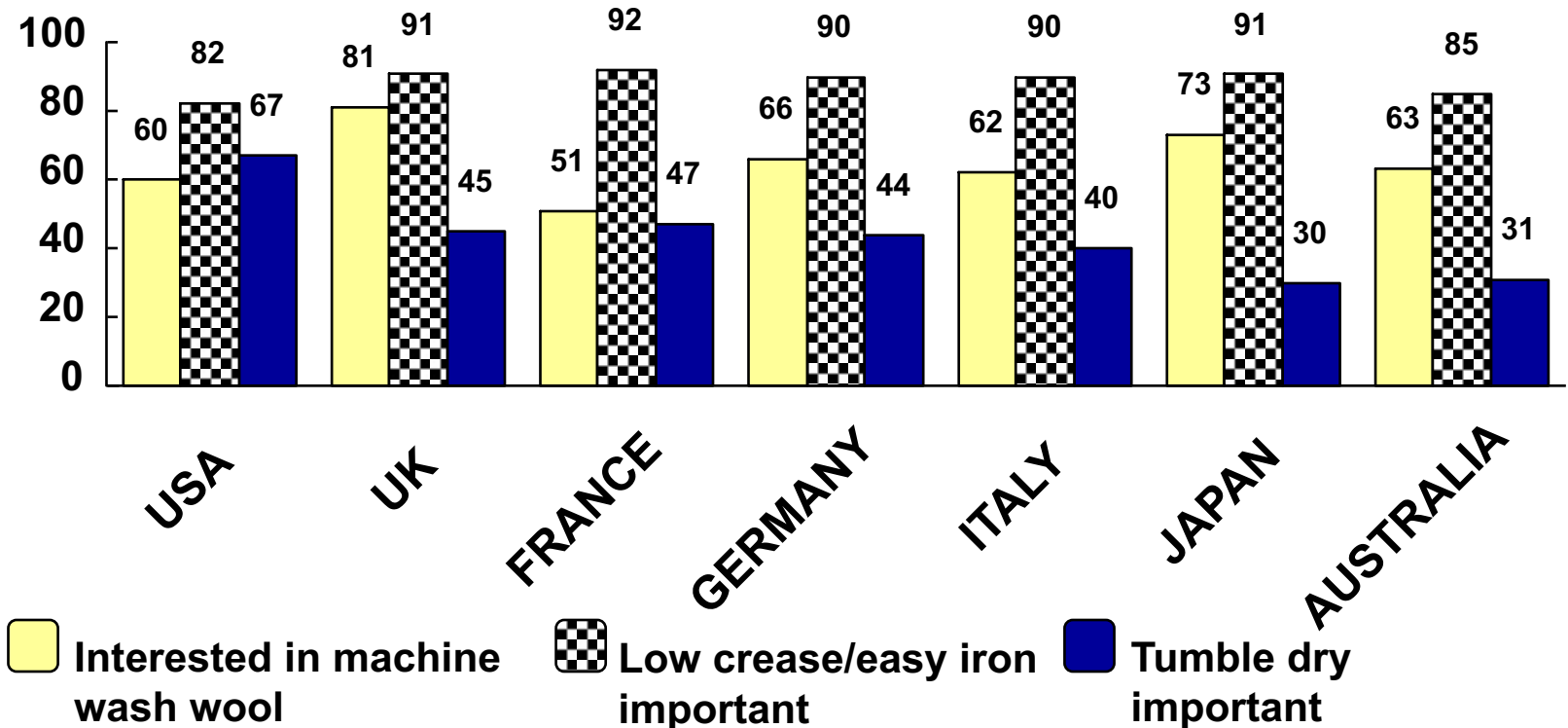
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# Consumers Demand Easy Care

HIGH LEVELS OF CONSUMER SUPPORT FOR 'EASY CARE' ATTRIBUTES ACROSS MARKETS

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# Consumer Attitudes to Fibers\*

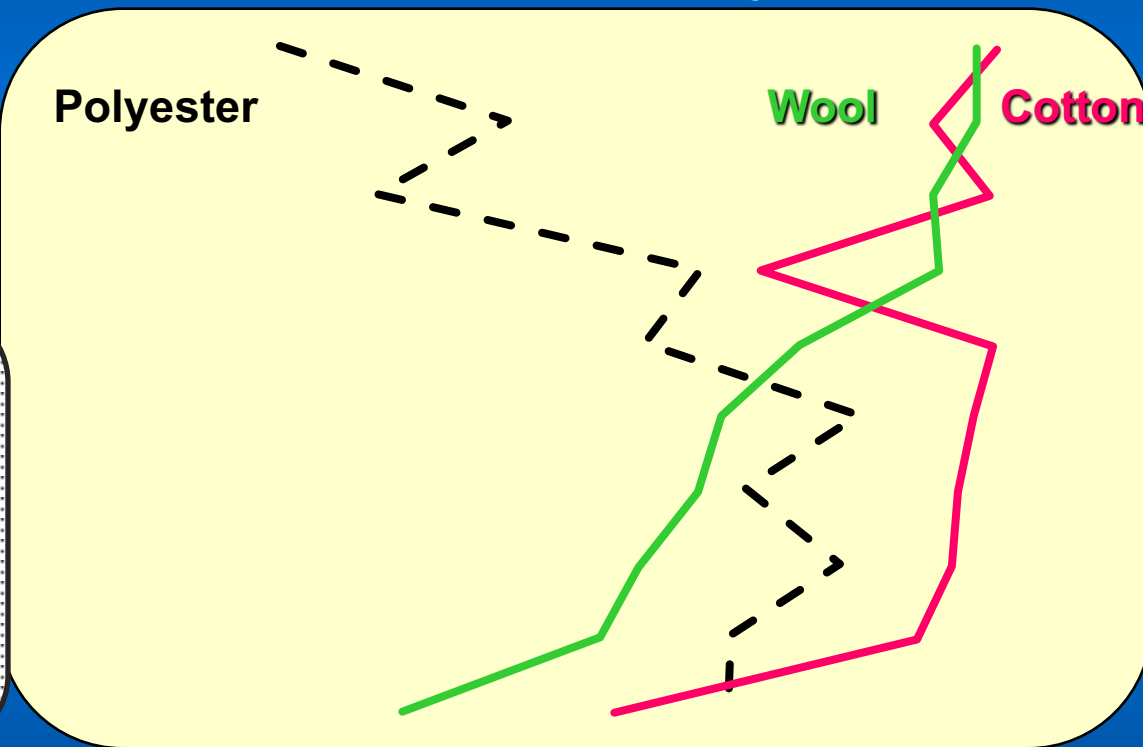
Complete Disagreement

Complete Agreement

1 2 3 4

Most natural fiber  
High quality  
Environmentally friendly  
Suitable for autumn

Comfortable to wear  
Available in casual styles  
Worn by young people  
Available in lightweights  
Suitable for spring  
Easy to care for



\*Average of France, Germany, Italy, UK, Japan and USA

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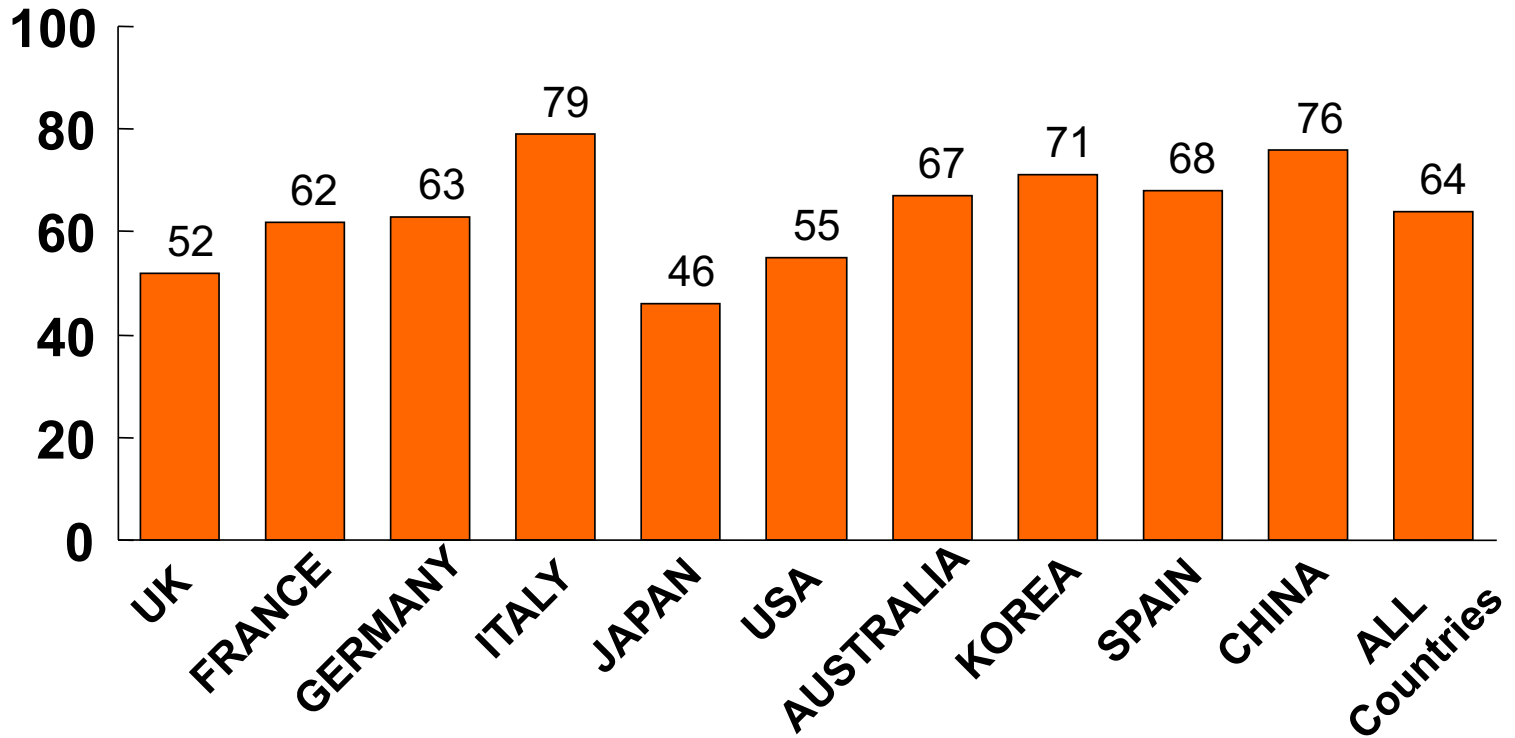




# Clean & Natural Fibres

" I PREFER GARMENTS TO BE MADE OF NATURAL FIBRES TO MAN MADE FIBRES"

**% Consumer Agreement**



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# Consumers in the 1990's

## Lifestyle

- less formality and outward materialism
- controlled living environment
- leisure seeking
- environmentally aware
- a wiser consumer
- on the move
- value conscious

## Apparel Requirements

- value for money
- less formal
- more versatile
- increased comfort
- variety, appearance
- performance plus
- quality

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# Woolmark 2005

## Key Lifestyle Changes

- informal living & working
- expert consumers
- youthful ageing
- time for me
- travel & technology

## Key Apparel Purchase Drivers

- value for money
- casual looks
- versatility
- comfort
- convenience
- clothes that travel well

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# Key Criteria in Apparel Purchase

- Brand
- Design & Colour
- Comfort / Fit
- Quality & Performance
- Price
- Easy Care
- Influence of fibre perceptions
  - cotton - easy care
  - wool - quality

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# WRONZ Consumer Overview

## Needs

- modesty
- protection
- improve physical performance
- image

## Wants

- COMFORT
- PERFORMANCE
- FASHION
- quality
- value for money

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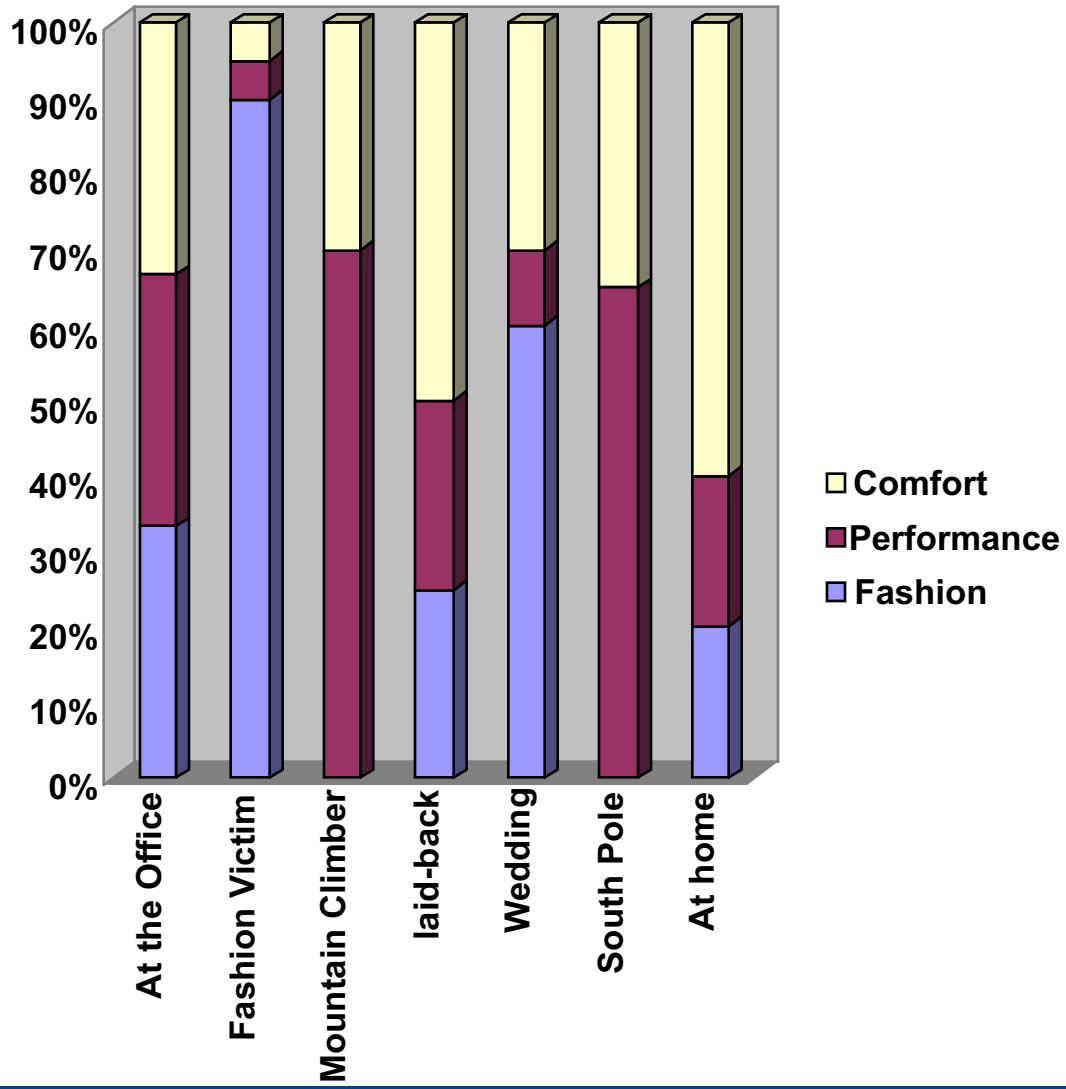
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# Drivers of Apparel Purchasing

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