



## Home & Textiles Today August 2016

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## BATH TOWELS

\$2.47B

Total Bath Towel Sales in 2015

\$27.6B  
2015 Home  
Textiles Universe\$27.1B  
2014 Home  
Textiles UniverseUP  
1.8%

## Inching Up

BY JENNIFER MARKS

**D**espite a few bumps in the road, the bath towel segment remained flat in sales last year, pulling in \$2.47 billion in 2015 retail sales.

In the first half of 2016, the story has been similar, with a few tweaks here and there but no large-scale pivots.

Bari Mills is seeing strength in reversible towels. At off-price retailers, texture is import, said Dan Harris, senior vp of marketing and product development. "There's better perceived value to a towel with surface texture," he told *H&TT*.

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Towelers is keeping an eye on shifts in the market being driven by the rising tide of Millennials.

"The Millennials are spending more money on experiences than any of the previous generations and exploring the world. With posting on social media trending, there is a drive to vacation excessively — which has given a boost to the hospitality industry, said Mahjabeen Obaid, creative director. "With the rise of Airbnbs there is also a push to buy hotel-quality towels online."

The company is also seeing increased interest in towels made with BCI (Better Cotton Initiative) cotton, she added. "We see this move with mainly our European customers, so it's worth mentioning that it won't be long before the U.S. market also takes notice of this."

Suppliers agree that online has been less of a game-changer in the towel category than it has for other home textiles sectors because of the tactile nature of the product. But that's beginning to change.

"I think e-comm is positioned to see truly exponential growth in the bath towel business," said Jeff Kambak, ceo of U.S. operations for Trident. "Growing the e-comm bath towel business will require strong 'old school' marketing prowess."

This means creating marketing copy that is so well written "you can help the consumer clear the mental hurdle of needing to touch a bath towel as a key element of the purchase decision tree," he added.

Bucking the trend, Kassatex is doing boffo online business with luxury department stores and recently relaunched its own website. But there's a caveat.

"Bath accessories sell a little bit better online vs. towels," said Ernesto Khoudari, president and ceo. "When you see a photo of accessories you [are evaluating] the design. With towels, you worry about the feel."

Still, the switch seems inevitable to Cambridge Towels ceo Hugh Thompson. "If consumers didn't have the time to shop stores before, they certainly don't have it now. And they're only a click away from not going to a store." *H&TT*

## BATH TOWELS

## Distribution channels

2015 total retail sales: \$2,470 million flat from \$2,470 million in 2014

	2015	2014	% CHANGE
Discount department stores/supercenters	\$1,290	\$1,286	0.3%
Specialty stores	\$77	\$76	0.1%
Department stores	\$258	\$264	-2.0%
Direct-to-consumer	\$7	\$7	10%
Warehouse clubs	\$50	\$50	0.0%
Other	\$48	\$48	0.0%
<b>Total</b>	<b>\$2,470</b>	<b>\$2,470</b>	<b>0.0%</b>

## ABOUT THE NUMBERS

*Home & Textile Today's* Bath Towels Database report reveals 2015 and 2014 market share product data through key distribution channels. All retail sales figures are estimates and are for the U.S. only. All figures are rounded.

## DISTRIBUTION CHANNELS

**Department stores** are full-line operations carrying a variety of merchandise, including national and regional stores. Examples include Macy's, JCPenney, Bloomingdale's, Sears, Belk, Dillard's, Kohl's and The Bon-Ton Stores.

**Direct-to-consumer** includes retailers with primary distribution through the Internet, catalogs, television and/or home parties. Examples include Amazon, BrylaneHome, Cornerstone Brands, Hanover Direct, HSN, Lands' End and Overstock.com, among others.

**Discount department stores/supercenters** include discount, off-price and dollar stores, such as Walmart, Target, Kmart, T.J. Maxx/Marshalls, Ross Stores, Big Lots, Tuesday Morning, Shopko, Family Dollar and Dollar General.

**Specialty stores** include retailers that specialize in textiles, as well as stores that carry textiles at full price and may or may not carry housewares, small appliances, gourmet foods, apparel, jewelry and personal care items. Examples include Bed Bath & Beyond, Ikea, Anna's Linens, Home Goods, Pier 1 Imports, Restoration Hardware and Crate & Barrel.

**Other** includes gift and home accent specialty stores, furniture stores, home improvement centers, military exchanges and designers, among others.

**Warehouse clubs** include Costco, Sam's Club, BJ's Wholesale and local and regional warehouse clubs.

"Quality sells. Consumers are responding to it."

Still, there's not much evidence that quality in that sector is moving the needle on price points, he added. "There's always pricing pressure on the mills, but at retail there's not so much downward pressure on price point — but not much upward pressure either," Harris said.

Mass retailers are beginning to look at a higher level of pricing on better goods, and there's broad interest in low-lint, super-absorbent constructions, said Gretchen Dale, evp of strategic and corporate planning at Loflex.

"We're seeing a lot less of 'how heavy can you make it.' People get annoyed by how long it takes to dry," she said.

Chortex has also noted a sharp pivot away from the beefier constructions. "The 800 to 850 [grams per square meter weight], that's done. The towel was like a carpet," said Eric Vergucht, sales representative for Chortex USA and Canada.

He sees 650 gsm towels as the best sellers in mid-tier and up, with 600 gsm and lower working in the more promotional channels.

"The lower tier is becoming more important," he added. "You have to be able to sell in a range."