

monitor™

A weekly update on consumer attitudes and behavior based
on ongoing research from Cotton Incorporated

THE MIDAS TOUCHES

Crochet, Embroidery and Special Effects Spin Gold at Retail

As an uncertain economy and skyrocketing fuel prices put American consumer spending priorities for food, gas and apparel at odds, retailers increasingly feel the need to offer that something special to catch a woman's eye and help close the deal at the cash register.

Tom Kolovos, an image consultant and on-air style and fashion contributor for television station NBC 5 in Chicago, observes, "Every woman wants to feel like she's getting something she doesn't already own. They don't want something with just two seams down the side."

Cotton Incorporated's *Lifestyle Monitor™* tracking data show it will indeed take something special to get women to open their wallets. Nearly 82% of women say clothing prices have increased compared to a year ago, and 63% say rising prices stopped them from buying as much apparel as last year.

Another 75% of *Monitor* respondents say their personal increased expenditures have kept them from purchasing, with 45% citing reduced clothing expenditures as a result of the down economy. Interestingly, apparel fared better than shoes, (50% of consumers say they're spending less) and accessories, (58% say they're spending less), but it's a trend that hasn't improved: Compared with last year, 39% say they have spent less on apparel, and compared with last month, 45% say they've spent less.

These results are consistent with retail sales data that show women are buying less – and paying more for it: Unit purchases of women's apparel were down 1.3% for the first quarter of 2008 compared to the same quarter last year, while average prices paid increased 1.4% according to NPD Fashionworld's AccuPanel.

If there's a fashion trend that offers something special, it's embroidery and crochet, as well as other embellishment. Says image consultant Kolovos, "This wave of crochet, embroidery and embellished stuff does appear as if it has something going for it, especially if women want something that really looks special."

Some of these pieces, especially in the denim market, exhibit a hippie sensibility, while others are more refined. In the higher end of the market, some are moving into a new realm of weaves and embellishments, all designed to capture the imagination, and the sale.

For Spiegel's Newport News, the online and catalog retailer, the little extras have made an impact on the bottom line, confirms Liza Park, vice-president of retail for Spiegel Brands, Inc. "Crochet and embroidery are consistent top sellers for our customer, who shops for romantic and glamorous items with a little stand-out appeal," Park says.

An example is a cargo bottom with color-on-color embroidery on one pant leg and studded details on the pockets. "The embroidery was a way to feminize the cargo pant, as the customer continues to shop for comfortable and versatile items."

At the 800-unit specialty chain of Christopher & Banks, CJ Banks and Acorn stores, the timing is right for crochet and embroidery work that helps to catch a woman's eye, says Susan Connell, executive vice-president and chief merchandising officer. "We waited until April to bring it in – and it's been phenomenal."

Connell says crochet pieces include openwork flyaway cardigans, shrugs, tunics with a crochet overlay, and subtle insets on V-neck tops. Embroidery can be found in summer motifs like dragonflies on flip flops. Other pieces, like those found at Acorn, feature embroidery with bead or stone embellishments.

"Sometimes it's just on the straps, or it's the braiding on the neck. In our casual tees, the print is done with crewelwork embroidery," Connell explains. "That little bit of embellishment on a top makes it look new, and intrinsically makes it special and unique."

"If you want people to part with their money, they have to feel like they're getting something for it," NBC 5's Kolovos says. He points

out that even designer collections are reaching ever higher to stand out, from "rock-and-roll boho" embroidered looks at Gucci, to cobweb-like sleeves from Balmain, and handcrafted Rodarte dresses that resemble a young girl's stockings after a long day at the playground.

At Y & I Clothing Boutique, in San Francisco's Marina District, customers are hot on the trend, according to Liz Hughes, sales associate. "We have embroidered shirts and dress lines that have done well," she notes. "We just sold out of a Yumi Kim blouse that had crocheted trim along the neckline."

Hughes says Y & I often goes back to the crochet look. "Customers are definitely into crochet, and the embroidery is on pieces from dressy blouses to

weekend and night-life attire," she says. "We'll definitely see these looks in the fall."

Spiegel's Park says for early fall, Newport News' crochet twin sets and other fashion silhouettes in lace and embroidery are expected to be

strong. "Early trend results are the oversized sweater with flounced crochet cuffs, an all-over crochet tank and a crochet cardigan from our Collectibles collection," Park says.

Connell says that while the Christopher & Banks stores will translate the crochet look into more ponte, cut and sew and sweater knits for fall, crochet won't be gone with summer '08. Says Connell, "I definitely think the feminine crochet influence will be even bigger next spring."

This story is one in a series of articles based on findings from Cotton Incorporated's Lifestyle Monitor™ tracking research. Appearing Thursdays in these pages, each story will focus on a specific topic as it relates to the American consumer and her attitudes and behavior regarding clothing, appearance, fashion, fiber selection and many other timely, relevant subjects.



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How Much Did You Spend on Your Clothes?

| | This month vs. last month, 2008: | This month 2008 vs. the same month in 2007: |
|-----------------------|----------------------------------|---|
| More | 30.5% | 38.6% |
| Less | 44.8% | 39.3% |
| About The Same | 22.4% | 20.5% |
| Don't Know | 2.3% | 1.6% |

