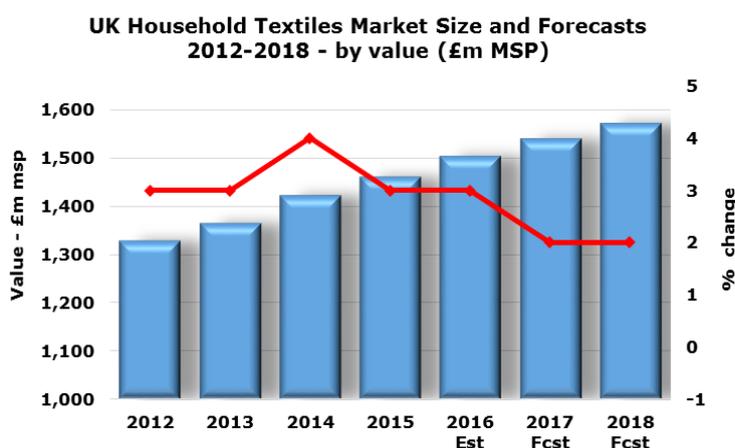




PRESS RELEASE

Forecasts indicate steady medium-term growth for the household textiles market

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The UK market for household textiles is estimated to have grown by 3% in 2015, with similar growth forecast for 2016, according to a new report by AMA Research. Consumer confidence remained high in 2015, although market values have been negatively affected by high levels of competition and a proliferation of lower cost imports in this sector. The situation in late-2016 is uncertain, though underlying demand will come from replacement purchases, which in the household textiles market are significant.

Given the maturity of the household textiles market in the UK, sales are heavily reliant on replacement purchases. Daily wear and tear of sheets, towels, pillowcases and similar items, drives the need to replace them on a regular basis and helps underpin demand. Most items are relatively low value and therefore the market is not subject to the same degree of volatility experienced by higher value household products.

Bed linen dominates the household textiles product mix in 2016 with a share of around 40%, followed by filled products, bathroom textiles and then table linen/kitchen towelling, which accounts for a smaller share. Factors influencing the bed linen sector in recent years have included competitive pricing and year-round discounting, which have been compounded by increasing fragmentation and a growing online market. Lower prices have also shortened replacement cycles, encouraging householders to replace worn or damaged linens more often, but lower prices are also stimulating a switch to higher quality bedlinen as consumer tastes become increasingly influenced by exposure to higher quality bedding in hotels, for example.

Market growth in the filled products sector has been stimulated by higher demand levels from the hospitals and care homes sector as well as the hospitality sector. Sales of duvets have remained fairly strong, underpinned by continuing developments in filling materials, whilst steady demand from the contract sector has continued to drive sales of pillows. In addition, another important factor stimulating volume growth has been the extension of ranges within grocery multiples and also discount retailers, with the latter in particular offering filled products at competitive prices.

Bathroom Textiles is a substantial sector, now worth around £300m – sales growth has been steady and largely influenced by the same factors impacting on the wider market.

"Future prospects for the household textiles market are relatively positive, although given the potential for a significant shift in economic conditions; it is currently difficult to make any confident forecasts" said Andrew Hartley, Director of AMA Research.

"Current forecasts are for steady but moderate growth of around 2-3% in 2016, and 1-2% per annum in the medium term, reflecting not only the maturity of the market and the potentially challenging economic conditions, but also a continuing polarisation of the market."

The post-Brexit market points to a number of potential concerns, not the least of which is a fall in consumer confidence and spending. Business confidence may also be affected, although the hospitality sector – a major user of household textile products and an important indicator of the health of the market – is expected to benefit from a weaker pound. On a more positive note, household textiles are relatively low-cost items and largely essential rather than luxury items, with some products, such as towels and bedlinen in particular, subject to high levels of wear and tear. While replacement cycles can be extended, the availability of a greater choice of affordable products on the market means that householders have the option of cheaper replacements, should economic circumstances dictate, but AMA are reasonably positive about the market in the next few years.

The '**Household Textiles Market Report – UK 2016-2020 Analysis**' report is published by AMA Research, a leading provider of market research and consultancy services with over 25 years' experience within the construction and home improvement markets. The report is available now and can be ordered online at www.amaresearch.co.uk or by calling 01242 235724.

Editors Note:

If you would like to receive more information on the report, or would like to speak to the author, then please contact Anna Eriksson or Andrew Hartley on 01242 235724.

Please include our web address and telephone number on any review printed, and it would also be appreciated if a copy of the review could be forwarded to AMA Research. Thank you.

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