MARKET RESEARCH

SNOW SKIING APPAREL

March, 2020

CONTENTS

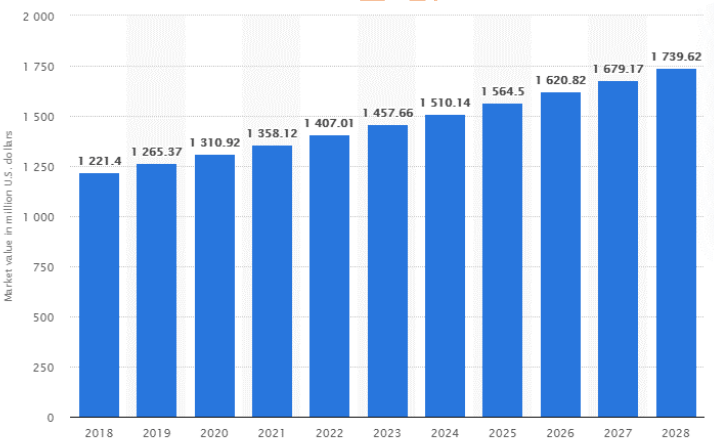
INTRODUCTION

This document represents market research, expanding on the winter skiing and boarding apparel and clothing industry. The market alongside the trends and customer preferences will be also researched in this document in order to provide valuable and actionable data and insights. The competition will also be researched in order to compare and contrast their offering and identify potential gaps that could be exploited.

INDUSTRY & MARKET OVERVIEW

The following pages will provide insights and deductions regarding the skiing apparel industry, the market, the market drivers, etc. – based on the analysis of multiple skiing apparel-related articles, publications and industry reports.

Seen as the Ski Apparel is a subcategory of the Ski gear and equipment market, the statistics company Statista provides a chart that showcases the worldwide value of that market from 2018 to 2028 (in million U.S. dollars).



The chart indicates that the 2020 **value of the market is $1 407.01 million**. The Ski gear and equipment market is expected to continue growing in the following years.

The Ski Apparel (Ski Clothing) industry alongside the slowdown in world economic growth, has also suffered a certain impact, however still managed to maintain a relatively optimistic growth, during the past four years. Multiple research companies such as Info Growth, Research Cosmos, Market Watch, and Grand View Research, as well as Yahoo Finance, in their 5-year Ski apparel industry projections, explain that the Skiing apparel market will see a Compound Annual Growth Rate (CAGR) **increase of 2.6%.**

DRIVERS

The Ski Apparel (clothing) industry is driven by a plethora of drivers and factors. These are some of the drivers impacting the growing demand for Skiing apparel and winter wear:

- **The increasing number of skiing and boarding professionals, hobbyists and enthusiasts, as well as the growing number of resorts,** are also another important factor driving the demand for skiing apparels upwards. According to information provided by Skiresort.info, **Europe** manages a total of 3,649 ski resorts - portraying Europe as the world's region with **the most ski resorts**.

  Moreover, Market Research's report showcases Europe as the region with the **largest** Ski Clothing market share equating to 29%.

- **Growth in the winter tourism industry** is likely to indulge people to participate in snow sports such as skiing alongside the different types of skiing - Alpine skiing, ski touring, and cross-country skiing.

- Surge in Innovative Ski Gear and Equipment – Ski apparel and gear (equipment) manufacturers are becoming more focused on **developing and launching new and innovative products** to fulfill the changing needs and demands of consumers by using **advanced technology** (radar-sensitive ski pants by Helly Hansen, Bluetooth ski gloves by Beartek, Augmented Reality ski googles by RIDEON, etc.).

- **Increases in disposable income** to enjoy winter hobbies and sports, thus purchasing the necessary apparel and equipment. Also notable is the increasing numbers of women participating in various winter sports and skiing.

- As the **textile industry becomes even more heavily automated** through the entire spinning and dyeing processes that delivers a greater number of winter sports apparel and clothes, **the adoption of automation solutions in the textile industry** is a significant driver for the Skiing apparel industry.

- One report published by the market research company Future Market Insights identifies a specific opportunity for ski apparel, represented through the artificial snow environments being installed in commercial malls for better customer services and experiences.

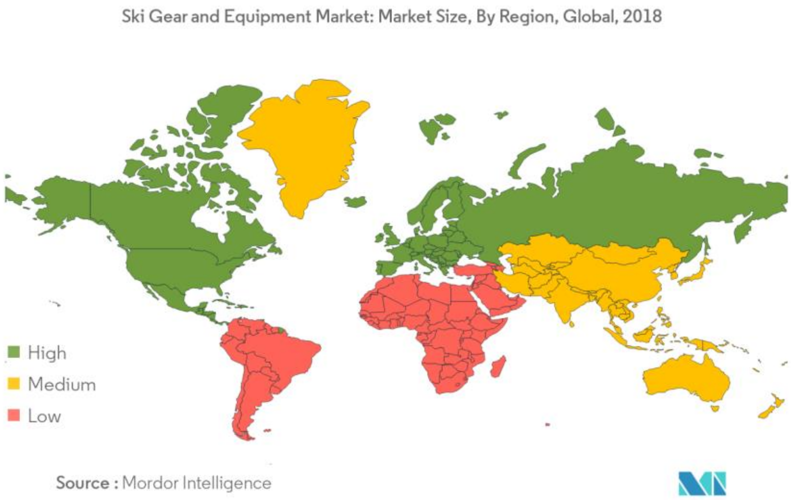
- GlobeNewswire's report identified that the rise in adoption of E-commerce for selling products globally led to a surge of B2C business in various business domains including the winter wear. The increasing number of online sales channels and the expanding winter wear portfolios are additional drivers impacting the growth of the global winter wear market.

With the presentation of some of the major drivers surrounding the skiwear and winter wear landscape, the following part of the research provides details on the market for skiing apparel, starting on a global level, then narrowing down to Europe, and lastly the UK.

TARGET MARKET

On a global level, Europe represents the largest consumption market in terms of ski gear, equipment, and apparel. In 2015**, Europe's market represented 56.29% of the entire market**, followed by North America (20.18%). The other largest market for skiing equipment and apparel consumption is the ASEAN region, dominated by China and Japan, as stated in the market research company – Market Watch's report.

A visual representation of the Global Ski Gear and Equipment market is provided by another market research company – Mordor Intelligence



The image is supportive of the deduction that Europe and North America are in fact the two largest Ski Gear and Equipment consumer regions.

Moving away from the global landscape, insights provided by the statistics Company – Statista, suggests that **within Europe**, **Germany** has the largest number of people skiing (14.6 million), followed by **France** (8.5million) and the **UK with 6.3 million**.

These are most likely the countries that would be interested the most in purchasing winter skiing apparel, such as pants and jackets.

Focusing on **the UK**, Ordee – an online fashion news provider, in an article, claims that **UK's skiwear market worth is £3 billion**.

A 2018 research published by the market research and marketing consulting firm – LHM Marketing, provides deeper insights into **UK's ski holiday market**. Their findings indicate that **each winter 1.5 million UK** residents go on at least **one ski holiday**, whereas **29% of them will go on two or more ski holidays** during the same winter season.

Another thing the research uncovered is that not all skiers have the opportunity to travel each and every year, which means that the UK's ski holiday market counts **more than 1.5 million Britons**. LHM Marketing's research states that there around **3.5 million** UK citizens making up the UK's holiday ski market, where some of them ski every year, others every second or third year.

The following paragraphs expand more on the UK's target demographic, as it represents one of the client's preferred markets.

The Ski Club represents the largest and oldest snowsports membership organizations in the UK, with over 26.000 members. Their 2018 annual consumer research had a couple of insightful bits on information detailing the UK's skiing enthusiast. According to the research (based on 21,824 skiers and 1,201 non-skiers) in 2018:

- (page 23) The gender split suggested that skiing is **predominantly a male sport** in the UK (66%).

- (page 30) The majority of the respondents are **skiers in the 50-59 age group**. Following are the skiers in the 40-49 and the 60 or older, age categories. The smallest group of skiers in the UK, according to this research are the people belonging in the 30-39 and in the 21-29 age groups.

  However, since 2018, the largest age groups which saw the **most new skiers**, include the **40-49,** followed by the **30-39** and the **21-29** age groups.

- (page 69) Although the data isn't skiing apparel-specific, it does, however, offer a general threshold of the average spend for enjoying winter skiing per person. The **average skiing spends for persons under 30 was between £500 and £750**. For **persons over the age of 30**, the **average spend** on skiing was **between £750 and £1,000** per person.

- (page 98) Lastly, **it's more popular to purchase clothing online** (32% vs equipment 21%) **but in-store still holds a very high percentage** (50%). There is a slight decline in UK store purchases matched by an increase in online.

Based on the survey's insights, the typical UK skier can be portrayed as a male between their early 40s and late 50s that spends from £750 and up to £1,000 on their skiing undertakings.

The following paragraphs provide insights into the general requirements for proper skiing pants and jackets. In addition to this, some of the most significant trends, features, and innovations, bringing the apparel' design, technology, functionality and versatility to a whole new level, are also included below.

MARKET NEEDS

In this chapter of the research, the information provided will showcase the general, as well as the unique features demanded by the consumers, that are distinguishing the superior skiing apparel providers from the remainder of the competition, as well as some of the newest innovations surrounding the skiing apparel sector.

GENERAL SKIING APPAREL NEEDS

This section presents some of the most commonly required/expected features of the winter skiing/boarding apparel. Based on the analysis of multiple articles, blogs and texts, such as those provided by Backcountry, Trespass, Snow and Rock, Mountain Warehouse, The Telegraph, GearLab and Skis, the insights surrounding the general needs and expectations from the skiing apparel, can be surmised through the following points:

- Providing enduring warmth and water-resistance.
- Gaiters, powder skirts and wrist cuffs keeping the snow away.
- Having air ventilation and RECCO reflector.
- Having versatile pockets and an adjustable hood.
- Wear and tear skiing apparel protection.

Following are some of the more unique features regarding the skiing apparel, as well as the innovations which are making some skiing apparel more desirable than other.

UNIQUE SKIING APPAREL FEATURES AND INNOVATIONS

Going through a plethora of articles and reports, the information presented in the following paragraphs elaborate on some of the most technology and innovation-driven skiing apparel products which are desired by skiers and snowboarders.

- In terms of the **waterproof and breathability materials** which make up most of the ski pants and jackets, specific (and unique) features couldn't be uncovered. The research managed, however, to identify that most of the innovation in this segment occurs around the **membranes** (and layers), their **waterproof-ness** and **breathability**. Such examples include the technologies implemented by companies such as Marmot MemBrain, Sympatex, Stöckli, Polartech etc.

- Examples of innovation in the **Powder Skirt** department include companies such as Obermeyer, where their offering (Snap-Away) **incorporates two snaps which allow the wearer to either tuck up the powder skirt when not in use or detach the powder skirt altogether.**
- KJUS' **AC venting** technology taps into the body's natural cooling system by enhancing the body's use of its circulatory system to warm and cool itself. By opening the **vents at the wrists and lower forearms** where blood vessels run nearest to the skin, the trapped heat can escape quickly and the outside air is able to cool the blood before it is taken from the extremities and circulated back to the body's core.
- Helly Hansen's LifePocket - a part of their line of jackets (ALPHA 3.0) which uses NASA **technology to thermoregulate the pocket's temperature and extend the battery life of the wearer's phone** when compared to cold pockets and sub-zero conditions.

  On a similar note, an emphasis is also placed on 686's Hydrastash Reservoir jacket, which **keeps its wearer hydrated via a reservoir inside the jacket** which can hold hot and cold fluids.

These points can be used to accurately surmise the features and innovations showcased in the previous paragraphs:

1. Waterproof and breathable material selection, and design of the skiing apparel.
2. Designing the ski apparel in a way that provides the wearer additional benefits beyond breathability, waterproofing, etc., such as multi-functional pockets, ways to conveniently store beverage, extend mobile phone's battery life and so on.

In the following chapter, the trends and forces that impact the skiing apparel landscape are covered, providing insight into some of the innovations improving the skiers' experience.

MARKET TRENDS

This segment showcases some of the trends affecting the Skiing apparel market. Based on the analysis of numerous articles, blogs and reports the following trends are some of the trends believed to have a significant impact on the Skiing apparel market. Most of the trends detail the new and innovative technologies used in the production of the modern ski pants and jackets, as well as the customers' preferences when selecting skiing apparel.

The skiwear has made significant improvements and changes through the years. With each coming decade innovating and improving on the designs from the past, focusing on the wearer's comfort, protection and performance when wearing skiing apparel.

In order to know where the skiwear market is heading in the future, understanding the roots and its humble starts, is a decent starting point.

Historically, the **50s** skiwear had just discovered the waterproof properties of the synthetic fiber, and polyester ski clothing was dominant – the most revolutionary were the **Bogner stretch pants**.

The **60s** made skiwear more fashion conscious, inpired by mod runway looks, high fashion fabrics and tighter fit clothing (spandex).

In the **70s** among the most biggest skiwear fashion breakthroughs were the fleece midlayer and quilted nylon jackets with zipped off sleeves, that became the regular fashion items off the slopes, and are even still worn today.

The **80s** brought about the overalls and romper suits, as well as some of the most obnoxious abstract patterns, fluorescent colors and animal prints.

The following decade, the skiwear moved away from the perms and the legwarmers, and became less showy and more practical. One more trend significant in the **90s**, which is now more prevalent than ever, is the rise of environmentally friendly outdoor companies.

When discussing the trends in the skiwear in this decade, as well as the recent years, the following paragraphs provide some of the most dominant trends on the market.

- VR Technology - One notable trend is the implementation and use of **virtual shopping**. This technology saves the customers' time and removes the need to wait outside the trial room. An example of this technology is the prominent Adidas, which introduced a 360° shopping experience by incorporating VR to their E-commerce retailing. Through this, their customers gain a 360° shopping experience of trialing the product, selecting various apparel attributes such as color, design etc.
- According to the ski and snowboard magazine Style Altitude and Snow Brains – a rising notion is the desire to wear more **environmentally-produced clothing** (i.e. Harvest's jacket). Accompanying this is the increasing awareness of **how the traditional materials are sourced**. Another source supporting these claims is Ski Basics, another Skiing-related information provider.

- Another resurging look for the Skiing apparel, according to fashion magazines Style Altitude and Ordre are the 60s and 80s retro styles, in terms of design and apparel color. Block colors have crept in and the color contrast two-tone look is back. Customers are a lot more daring this time around and not afraid to inject a bit of color into their outfits.
- The Ski agency – Ski in Luxury, in their 2019 blog indicated that that softshell ladies jacket by Poivre Blanc, was considered one of the top ski jackets for the 2019 winter, encompassing **detachable and adjustable fur hood, zipped pockets, inside and out, waterproof and breathable design**.

  The same blog details men's best ski jackets for 2019, which included Arc'teryx Sabre, a **three-layer Gortex, the warmth of fleece lining, adjustable and helmet-compatible hood**.

- A 2018 Forbes article references the Swiss sports apparel company KJUS, inventing a skiing jacket which relies on a so-called "Hydro-bot" technology, **enabling wearers to have no sweat underneath all of their layers** – no matter how cold it is. The gist of the technology involves a user-controlled membrane integrated into a sports jacket, which works by actively pumping out sweat from the wearer's inner garments.
- The winter outdoor activities magazine Style Altitude, in an article, points out the increasing practice of **PRIMALOFT layers being blended with fleece, offering increased mobility that will also keep the wearer's temperature-controlled much better than bulky insulators of the past**.
- The online newspaper – The Telegraph, in an article explains The North Face's new ski jacket "FutureLight" technology, which provides improved breathability and performance in comparison to the market leader – Gore-Tex. The North Face's new **ultra-thin membrane has been designed to create airflow while keeping water out even through the harshest weather conditions**
- The mountain resort – Chestnut, writes in an article that **Bib Ski Pants** are a major trend in skiing apparel for 2019. New fabric and style technologies changing the fit, comfort, and appearance to be lightweight and supportive, is what attracts consumers to this type of skiing pants.

  In regards to the winter coats/jackets trends, Chestnut's article emphasizes **the material** that makes up the apparel. **High-tech, sustainable, and lightweight smart wool** is the insulating material that both men and women need.

These are the key points that surmise the trends presented above:

1. Implementing virtual shopping onto the skiing apparel webshop.
2. Environmentally-friendly produced clothing, smart wool, and transparency in regards to the sourcing of the traditional materials used in the production of the apparel.
3. Bib ski pants, as well as retro styles of skiing apparel (in terms of color and design), are gaining popularity.

4. Flexibility, mobility, lightweight, warmth, waterproofing, and breathability are crucial for the commercial success of skiing apparel.

The last section of this document analyses the skiing jacket and pants competition, and points out the main conclusions from the competition analysis.

COMPETITION

In this section of the document, the competitors within the Ski Apparel landscape will be showcased and analyzed. Among other insights, the information from the competition will provide useful knowledge as to which are the types of skiing pants and jackets that are sought out the most by the consumers, at what prices, as well as the features those skiing pants and jackets, have the most.

The competition analysis is represented in a Google Spreadsheet table, consisting of companies that are manufacturing their own brand of skiing jackets and pants. These 12 competitors include North American and European companies such as Outdoor Research, Helly Hansen, Patagonia, Rossignol, The North Face, Marmot, Norrona, Haglofs, Arc'teryx, Salomon, Planks Clothing and Buffalo Systems.

These are the conclusions drawn based on the competition analysis:

- The competitor with the most revenue is The North Face (£11.2 billion), whereas the least revenue was earned by Planks Clothing (£1.2 million).
- The markets which the competitors are serving the most are the North American and the European ones. These are some of the specific countries the US, Canada, the UK, Switzerland, Sweden, Germany, Norway and so on.
- The competition apart from Skiing clothes and apparel also retails products surrounding mountain climbing, trekking, hiking, running, mountain biking and surfing among others.
- The analyzed competitors have skiing jackets and pants models for both men and women. The average price range for skiing jackets is somewhere between £116.57 and £537.66. In regards to the skiing pants, the average retailing prices are between £92.47 and £ 417.21.

- The competitors' skiing apparel differentiates from one another mainly in their designs, features such as breathability, waterproofing, flexibility, etc. Their difference also can be observed through the variety of materials used in the production process.

  Some of the competitors had unique innovations characterizing their brands of clothing such as Rossignol, The North Face, Haglofs and Arc'teryx. These innovations are represented via the addition of powder skirts, and pit zips to jackets, cuff closures, design technology enabling faster, lighter and more flexible waterproof membranes and so on. Other examples of unique skiing apparel feature observed from the competition, includes jacket pockets preserving phone battery life, turbocharging mechanical jacket/pant venting, moisture-pulling membranes and so on.

- The competitors' main company's strengths come from their commitment to being more environmentally friendly, being more sustainable, using recyclable materials in their production, leaving less footprint in the environment, sourcing ethical and certified materials, and being in business with partners and suppliers who are paying optimal wages to their workers, work regular hours and design bluesign®-approved products (standard for environmental health and safety in the manufacturing of textiles).

  Also, these companies invest 1% of their sales revenue to environmental causes.

- The most popular social media platforms such as Facebook, Twitter, Instagram, and YouTube, as well as the more professional networking platform LinkedIn, are used mainly for promotional and marketing purposes.

  The ways the competitors promote their products is through ambassadors/athletes testing and wearing their brand in various environments, events and competitions. They also use these platforms to introduce new/upcoming products alongside their features and characteristics.

  Facebook and Twitter are the two platforms where the competitors are the most active, overall.

EXECUTIVE SUMMARY

The value of the skiing apparel market is increasing with each year, and will continue to do so. For 2020, the value of the market is projected at $1,407.01 million, with a CAGR of 2.6% until 2025.

Among some of the most important drivers fueling the market's growth, are the increasing number of skiing resorts and enthusiasts, growth of the winter tourism as a whole, introduction of new products based on groundbreaking technology, increases in the consumers' disposable income, adoption of automation in the textile industry and so on.

The largest markets for skiwear is Europe (56.29%) followed by North America (20.18%). The countries in Europe with the most skiers are Germany, France and the UK.

The number of UK skiers equates to 6.3 million, with a skiwear market value of £3 billion. On average, the typical UK skier is portrayed as a male between their early 40s and late 50s, spending from £750 and up to £1,000 on their skiing undertakings.

Based on the materials (articles, texts, reviews, blogs and reports) analyzed, as well as the competitors' skiing apparel offering (the competitor table), the conclusion this research reached is that the differences between the various brands offering skiing apparel (pants or jackets) is mainly in the material used to manufacture the apparel. Of course, there are differences in the designs too, different amount of zippers, pockets, color variety and so on, however, the most objective innovations, trends and differences in the skiing apparel is seen in the materials used to create the skiwear, as well as the ventilation, breathability, waterproofing, wind-resisting, warmth-generating and flexibility capabilities originating from the materials used in the production.

With the resurgence of some of the retro looks of the skiing apparel from past decades, updated to a contemporary looks, the skiing apparel market remains focused on environmental and sustainable practices when material sourcing and production comes in focus. Another focus point in the future development of skiing apparel are the innovations in the materials used for the manufacture of the skiwear. Other specific addition to the skiing garments which the skiers appreciate, are mobile battery extending pockets, thermal-regulating jackets, and beverage storing additions to the skiwear among others.