UK manufacturing on upturn

on recovery path, and growing

The UK manufacturing sector continues to show that it is on a recovery path, and growing. This, along with a marked easing of central bank lending conditions to businesses, and the general improvement in the wider UK economy as a whole, is good for manufacturers, according to Mr. Stephen Cooper, head of manufacturing at KPMG, UK. This is shown in growth in new domestic orders. One however, needs to watch UK deflation and its impact on costs and sale prices, as this may impact UK domestic demand, if not managed carefully.

While UK domestic orders are growing, this is not reflected in UK exports. This is likely linked to the relative uncertainty in the markets of the rest of Europe, as Europe still accounts for some 40% of UK exports. The continuing debt repayment issues in Greece, which are still to be fully resolved with the Eurozone in the medium term, will have created some level of unsettlement in Europe. The Eurozone as a whole is showing mixed signs of recovery, with France and Austria seeing a fall in employment, while Ireland, Spain, Italy, Germany and the Netherlands are showing some improvement in manufacturing performance. On the wider global front, while China is seeing some upturn in manufacturing output, the growth in external demand is weak, which is not a good sign. The US on the other hand is showing strong growth. As a large world player, the USA upturn will likely have positive spin off for the UK.

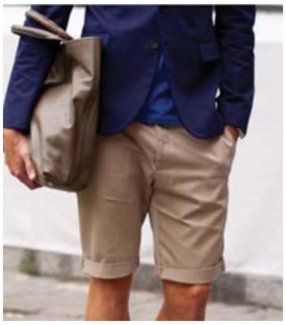
Relative to the world market, it is good to see that the UK manufacturing upturn is aligned with the positive growth in the US market, and both will hopefully continue on a winning track of growth. This is a big year for the UK as there is a UK general election looming, which hopefully will result in an outcome which continues to boost the UK manufacturing upturn. Consumer confidence has remained at 1 for February, according to GfK's UK Consumer Confidence Index, following a slip in December 2014. Expectations for the general economic situation' saw the highest change in confidence caompared with last month, with an increase by four points to 3 – one point higher than this time last year. ■ *Source : KPMG*

Growth in sales of men's bags

offsets women's handbag declines

Double-digit sales growth among bags worn by men, especially sport equipment bags and handbags, held the $11.5 billion US accessory bag market steady during the 12 months ending December 2014. This occurred despite sales declines in the largest category, women's handbags, according to global information company, The NPD Group.

Male or female, consumers are carrying a lot of things around with them, and want a bag that looks good while also meeting their multifunctional needs.



In 2014, 5 percent fewer handbags were sold for use by women than in the prior 12-month period, noteworthy for a category that represents 65 percent of women's bag sales, and 49 percent of all bags sold in the U.S. Although they are much smaller segments of the market, backpacks, duffel bags, and messenger bags gained popularity among women this year. Unisex bags that appeal to both men and women are among the top growth categories, particularly in the athletic and outdoor specialty channels.

"Fashion and function must come together to appeal to today's always on-the-go consumer," said Marshal Cohen, chief industry analyst, The NPD Group, Inc. Male or female, consumers are carrying a lot of things around with them, and want a bag that looks good while also meeting their multifunctional needs.

Bags worn by men accounted for $2.3 billion in sales in 2014, nearly one quarter of total industry results. Last year's double-digit unit and dollar sales increases clearly make the men's segment the one to watch in 2015. Men are purchasing more bags than ever before, and wearing bags of all types.

The bag industry has an opportunity to continue to capture and keep the attention of male and female consumers alike by emphasizing designs that accommodate their lifestyles in both form and function. This is especially important now that gas prices are the lowest they have been in a decade, and consumers are on the go even more. ■ *Source : NPD*

Millennials' lifestyle changes

bring them closer to home than restaurants

Millennials are the chosen generation for many marketers because of their sheer number and perceived buying power, but they are not a homogenous group and depending on their age and lifestyles, they use restaurants differently, according to a report by The NPD Group. For US restaurants and foodservice outlets, Millennials as a group currently represent about 14.5 billion visits and $96 billion in spending, which is 23 percent of total restaurant spend, but the group has cut back in both visits and spending, finds the NPD report.

Older Millennials, ages 25 to 34, who are more likely to have families, have cut back the most on restaurant visits, making 50 fewer visits per person over the past several years, according to the NPD report, Encouraging More Visits from

Millennials. Younger Millennials, those who are 18 to 24 years old, made 33 fewer visits per person. Annual per capita restaurant spend for younger Millennials is $1,240, which is down $146 per person compared to their spending in 2007, and older Millennials' annual per capita spend is $1,369, down $213 per person.

NPD finds that the reasons why Millennials are cutting back on visiting restaurants are varied, but first and foremost, is that they are concerned about the money they spend at foodservice, particularly Millennial families with children. They indicate restaurants can be too expensive, that it's cheaper to eat at home. Millennials say that they are cooking at home more often as many 'don't at all mind to' do so, and about half actually claim to like to cook. In addition to saving money, they feel better about cooking at home because they consider it healthier and it tastes better than what they can get away-from-home.

"Even with their cutbacks Millennials still make a lot of visits to restaurants and to encourage more visits, restaurant operators need to offer them a 'good deal,' which to Millennials means reasonable and affordable items that are of good quality and the right quantity," says Bonnie Riggs, NPD restaurant industry analyst. "They not only want to get their money's worth, they want good food and service." ■

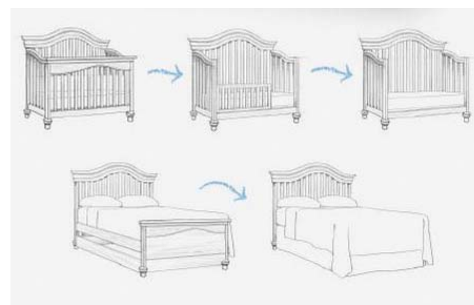
Source : NPD

Nursery shopping

sees major attitude change

Attitudes about baby rooms have really changed over the past few years. Credit the Millennials (who seem far more interested in design than previous generations) and the rise in design-centric media for a new focus on highly-designed, sophisticated rooms for little ones.

Many of today's parents eschew the traditional cartoonish nursery décor for more sophisticated furnishings, bedding and accessories. The reason is both practical and aesthetic: the room will more easily transition for the tastes of an older child, and it also will flow more smoothly with the rest of the home. Instead of being a separate entity covered in cartoons, many modern parents see the nursery as simply a child-friendly extension of the rest of their home and its design palette. Some of the trends noticed in this category at High Point reveal a more sophisticated, fashion-forward look.



Metallics : Be they accent colours on walls, décor pieces or furniture finishes, metallics continue to grow in popularity for children's rooms.

Alternate pastels : Blue for boys and pink for girls is so last-decade; today's nurseries are awash in shades such as coral, mint green and turquoise.

Modern designs : Cribs, case pieces and more are getting the modern treatment with contemporary styling and colourful finishes.

Green design : From organic bedding and mattresses to cribs made of sustainably harvested wood, parents are going green both for safety reasons and to help reduce their carbon footprint.

Small space solutions : All-in-one pieces (cribs with changers and storage, for instance), downsized pieces with a smaller footprint and even cribs with wheels that can be moved to a different room all appeal to Millennial parents and urban dwellers who often live in apartments and condos with limited space. ■ *Source : Kids Today*