
This declining industry has faced falling revenue over the past five years. Changing consumer preferences and increased competition from imports have caused demand to wane for domestic hosiery and sock products. Industry players are challenged with innovating and developing products that stimulate demand to recapture some of the sales lost over the past decade. Firms that can encapsulate consumer requirements and offer hosiery and sock products that enhance their satisfaction will be in a better position to grow in a shrinking environment. For these reasons, industry research firm IBISWorld has added a report on the Hosiery Mills industry to its growing industry report collection.

Los Angeles, CA (PRWEB) October 18, 2012 -- In the five years to 2012, Hosiery Mills industry revenue is estimated to fall at an average annual rate of 6.3% to $1.5 billion. According to IBISWorld industry analyst Nikolas Hulewsky, “during this period, consumer preferences regarding hosiery products have hurt demand, as casual dress and bare legs have become more socially acceptable, causing fewer women to wear hosiery.” From 2011 to 2012, revenue is expected to fall 3.9%.

Over the five-year period to 2012, rising input prices have also adversely affected the industry. In particular, cotton and oil prices have been skyrocketing; since 2007, the prices of the industry's two most important inputs have increased at an average 8.0% and 9.0% per year, respectively. Such high costs have forced industry firms to operate with lower margins or cut costs in other areas. The industry is largely fragmented, with a diverse mix of participants. Because of this competition, it is difficult for companies to pass on these costs to customers in the form of higher prices. As a result, industry operators faced falling profit margins over the past five years. IBISWorld estimates that margins have fallen from 7.7% of revenue in 2007 to 5.6% in 2012.

Concentration in the Hosiery Mills industry has increased over the five-year period because many businesses have been driven out of business. “The influx of cheaper priced sock and hosiery into the domestic market from foreign countries has created an intensely competitive environment for existing players,” says Hulewsky. Faced with eroding margins and loss of buyers, many underperforming operators were simply forced to exit the market. Furthermore, other manufacturers have transferred their production facilities to overseas locations, including China, in an attempt to manufacture goods at lower costs. Adding to this trend, many industry companies in the United States have shifted away from manufacturing socks and hosiery toward design, marketing, wholesaling and importing. As a result, the number of firms and establishments decreased at average annual rates of 8.7% and 8.5%, respectively. IBISWorld projects that industry concentration will continue to increase through 2017.

In the five years to 2017, industry revenue is forecast to fall 3.2% to $1.3 billion, as manufacturers in the industry struggle to compete on price with low-cost producers from emerging nations, such as China and Honduras. Competition from imports is also expected to reduce the size of the overall industry over the period, with the number of firms anticipated to decline an estimated 5.3% annually to 106, while the number of employees is projected to fall 6.3% to about 6,986. To counteract this trend, firms are expected to boost demand through innovations and marketing strategies, including new fabrics, improved cutting precision through laser and ultrasonic technology and more product options. For more information, visit IBISWorld’s Hosiery Mills report in the US industry page.
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IBISWorld industry Report Key Topics

This industry comprises establishments that manufacture hosiery and sock-type products. In company-owned and leased facilities, producers form raw materials like cotton and polyester into hosiery and socks. Products are then sold to wholesalers and retails for resale to the final consumer.

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