

STATE OF THE INDUSTRY: LINGERIE

We've Got Our Hands On The Latest Lingerie Industry Report, And We're Offering You A Peek At What's Inside.

Let's see how much the data reveals: In 2016, lingerie stores pulled in \$7.5 billion in revenue and made a \$365.8 million profit, with an annual growth of 1.9%. And as alluring as those numbers are, let's lean in for a closer view at what's making this industry look so good.

Good Times Lead To A "Good Time".

The economy has steadily grown over the past five years providing customers with more disposable income to spend on indulgent products such as high-end lingerie. In addition, savvy industry operators have expanded their customer base by reaching out to new markets including teens, women over 45 and the plus-sized audience.

Who's Bringing The Sexy?

Currently there are around 16,500 companies in the lingerie business, and many are small businesses with less than five employees. Over 1,000 are operated by the industry leader, Victoria's Secret. However, thanks to the improving economy, a greater number of retailers are expected to enter the market over the next few years with a projected number of 21,300 stores by the year 2021.

What Does Sexy Look Like?

So far, lingerie and sleepwear products lead the way with 50.2% of sales, followed by bras, girdles and corsets at 39%. Hosiery, pantyhose, socks and tights come in at 10.8%.

Who's Working It?

The largest target base for lingerie purchases is women between the ages of 45 and 54, followed by women aged 35 to 44. However, there is a growing segment for a younger market. While this market is currently small, industry players are targeting this group to establish brand loyalty. In addition, there are many lingerie manufacturers producing lingerie for men, including [Jack Adams](#), [Male Power](#), [Magic Silk](#) and many more.



[EBC1232-BLP-0S](#)
Sheer Babydoll
with Panty
Black/Leopard

Who's Killing The Mood?

Online retailers are gaining in the market by offering the same provocative products at a lower price. They can go lower because they don't have the overhead costs that brick and mortar retailers have. In addition, general apparel retail stores like American Eagle have jumped into the lingerie market by adding low-cost lingerie products to their merchandise floor.



If The Bra Doesn't Fit...

Brick and mortar lingerie retailers have a "move" that online and big box retailers can't compete with – bra fitting. Since almost 65% of today's women wear the wrong bra size, many stores have trained their sales associates to provide a proper bra fitting, allowing women to find bras that are more comfortable and look better under their clothes, thus making them feel more confident.

What Does This Mean For You, The Lingerie Retailer?

While the industry is expected to continue growing due to improving economic conditions, lingerie stores will still face significant competition from discount retailers, mass merchandisers and online retailers. Furthermore, the competition will be upping their game through product expansion and by tapping into new markets.

As Your Partner, We Recommend The Following:

1 Make Sure You're Hitting All Of Your Potential Markets.

Are you carrying lingerie for the plus-size crowd as well as other markets? Diversity in your selection will help ensure that you'll have something for every customer who walks in your store.

2 Offer Services Your Customers Can't Get Online.

Train yourself and your employees to size a woman properly for her bra. Educate yourself on your products so when customers have questions, you'll have the answers. Offer suggestions and make your customers feel empowered when they shop. If possible, provide well-lit dressing rooms so your customers can try on lingerie before buying.

3 Curate Your Selection So That You Only Offer The Best.

Hand pick the highest quality and highest rated products so customers will know they're getting the best when they get it from you.



DG10105-VPB-X4
Delicate Eyelash Lace & Chiffon Fly-away Back Babydoll
& Thong Vintage Pink/Black 3X/4X

So there you have it. Although there will be growth in the lingerie store industry, competition will continue to take bites out of the market. But if you're proactive and take the right steps to ensure a fantastic shopping experience with your customers, you will stay ahead of the competition and continue to grow and succeed in your business. And as always, your partners at Eldorado are here to help you succeed as well.

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