

OCTOBER

2013

# Brazil Apparel and Footwear Market Outlook to 2017

- Women Apparel and Upcoming Sports Events to Drive Future Growth
-

## TABLE OF CONTENTS

1. Brazil Apparel and Footwear Market Introduction
  - 1.1. Brazil Apparel and Footwear Market Size, 2006-2012
2. Brazil Apparel and Footwear Market Segmentation, 2006-2012
  - 2.1. By Product, 2006-2012
3. Brazil Apparel Market Introduction
  - 3.1. Brazil Apparel Market Value Chain
  - 3.2. Brazil Apparel Market Size
    - 3.2.1. By Value, 2006-2012
    - 3.2.2. By Volume, 2006-2012
4. Brazil Apparel Market Segmentation, 2006-2012
  - 4.1. By End User (Men, Women and Children Apparel), 2006-2012
    - 4.1.1. Brazil Women Apparel Market Introduction and Size, 2006-2012
    - 4.1.2. Brazil Men Apparel Market Introduction and Size, 2006-2012
    - 4.1.3. Brazil Children Apparel Market Introduction and Size, 2006-2012
  - 4.2. Brazil Apparel Market Segmentation on the Basis of Household Income, 2006-2012
5. Brazil Apparel Market Imports and Exports, 2006-2012
6. Brazil Footwear Market Introduction
  - 6.1. Brazil Footwear Market Value Chain
  - 6.2. Brazil Footwear Market Size
7. Brazil Footwear Market Segmentation
  - 7.1. By Type of Footwear, 2009-2012
  - 7.2. On the Basis of End User (Men, Women, Children and Unisex Footwear), 2011-2012
  - 7.3. By Geographical Distribution, 2012
  - 7.4. By Age of the Users, 2011-2012
8. Brazil Footwear Market Imports and Exports, 2009-2012

- 8.1. Footwear Imports By Country, 2009-2012
- 8.2. Footwear Exports By Country, 2009-2012
- 8.3. Footwear Imports and Exports By Types of Footwear, 2011-2012
- 9. Brazil Athletic Apparel and Footwear Market Introduction, 2006-2012
  - 9.1. Brazil Athletic Apparel and Footwear Market Size, 2006-2012
  - 9.2. Brazil Athletic Apparel and Footwear Market Segmentation, 2006-2012
    - 9.2.1. By Apparel and Footwear
    - 9.2.2. By Type of Footwear, 2012
    - 9.2.3. By Distribution Channel, 2012
- 10. Market Share of Major Players in Brazil Apparel and Footwear Market
  - 10.1. By International Companies, 2012
  - 10.2. By Native Companies, 2012
  - 10.3. By Athletic Apparel and Footwear Companies, 2012
- 11. Brazil Apparel and Footwear Market Trends and Developments, 2006-2012
  - Mushrooming of Specialty and Discount Stores
  - Ingress of International Players in the Market
  - Online Stores Gaining Traction
  - Increasing Role of Technology in Product Innovation
  - Prevalence of Consolidated Designing Methods
- 12. Brazil Apparel and Footwear Market Company Profiles
  - 12.1. Alpargatas S.A.
    - 12.1.1. Company Overview
    - 12.1.2. Business Strategies
      - Managing the brands with New Strategies
      - Expansion in Retailing Space
  - 12.2. Vulcabras
    - 12.2.1. Company Overview

- 12.2.2. Business Strategies
  - Partnerships with Leading Global Players
  - Key Focus on Athletic Apparel and Footwear Products
- 12.3. Adidas
  - 12.3.1. Company Overview
  - 12.3.2. Business Strategies
    - Increased Focus on Research and Development
    - Targeting the Middle-Class Segment of Brazil
- 12.4. Nike
  - 12.4.1. Company Overview
  - 12.4.2. Business Strategies
    - Increased Focus on Product Research and Development
    - Catapulting Cost-efficient Product Range
- 12.5. CIA Hering
  - 12.5.1. Company Overview
  - 12.5.2. Business Strategies
    - Increasing Retail Establishments
    - Revamped Current Business Strategies
    - Increasing Focus on Social Media
- 12.6. Arezzo Industria e Comercio S.A
  - 12.6.1. Company Overview
  - 12.6.2. Business Strategies
    - Expansion of Retail Stores in Other Countries
    - Increasing Brand Awareness by Adapting To Various Marketing Strategies
- 12.7. Puma
  - 12.7.1. Company Overview
  - 12.7.2. Business Strategies
    - Increasing Usage of Technology in Operations

Partnerships with other Companies

Adaptive measures to Change in Business Model

Expanding Business Overseas

13. Brazil Apparel and Footwear Market Future Outlook

13.1. Cause and Effect Relationship between Industry and Macro Economic Variables and Brazil Apparel and Footwear Market Future Prospects

13.2. SWOT Analysis of Brazil Apparel and Footwear Industry

14. Brazil Apparel and Footwear Market Macroeconomic Factors

14.1. Textile Consumption, 2006-2017

14.2. Cotton Consumption, 2006-2017

14.3. Brazil Population, 2006-2017

14.4. Brazil Personal Disposable Income, 2006-2012

15. Appendix

15.1. Market Definitions

15.2. Abbreviations

15.3. Research Methodology

Data Collection Methods

Approach

Variables (Dependent and Independent)

Final Conclusion

15.4. Disclaimer

## LIST OF FIGURES

Figure 1: Brazil Apparel and Footwear Market Size on the Basis of Revenues in USD Million, 2006-2012

Figure 2: Brazil Apparel and Footwear Market Segmentation on the Basis of Revenues of Apparel and Footwear Segment in USD Million in Percentage, 2006-2012

Figure 3: Brazil Apparel Market Value Chain

Figure 4: Brazil Apparel Market Size on the Basis of Revenues in USD Million, 2006-2012

Figure 5: Brazil Apparel Market Size on the Basis of Production Volume, in Thousand Metric Ton, 2006-2012

Figure 6: Brazil Apparel Market Segmentation on the Basis of Purchases by End-User (Men, Women and Children Apparel) in Percentage, 2006-2012

Figure 7: Brazil Women Apparel Market Size on the Basis of Revenues in USD Million, 2006-2012

Figure 8: Brazil Men Apparel Market Size on the Basis of Revenues in USD Million, 2006-2012

Figure 9: Brazil Children Apparel Market Size on the Basis of Revenues in USD Million, 2006-2012

Figure 10: Brazil Apparel Market Segmentation on the Basis of Revenues from People Belonging to Different Household Income Categories in Percentage, 2011-2012

Figure 11: Brazil Apparel Market Exports in USD Million, 2006-2012

Figure 12: Brazil Apparel Market Imports in USD Million, 2006-2012

Figure 13: Brazil Footwear Market Value Chain

Figure 14: Brazil Footwear Market Size on the Basis of Revenues in USD Million, 2006-2012

Figure 15: Brazil Footwear Market Size on the Basis of Volume in Million Pairs, 2006-2012

Figure 16: Brazil Footwear Market Size on the Basis of Per Capita Consumption in Unit Pairs, 2006-2012

Figure 17: Brazil Footwear Market Segmentation on the Basis of Production by Types of Footwear in Million Pairs in Percentage, 2009-2012

Figure 18: Brazil Footwear Market Segmentation on the Basis of Revenues by Gender in Percentage, 2011-2012

Figure 19: Brazil Footwear Market Segmentation on the Basis of Revenues by Age of the Consumers in Percentage, 2011-2012

Figure 20: Brazil Footwear Market Imports on the Basis of Value in USD, 2009-2012

Figure 21: Brazil Footwear Imports on the Basis of Volume in Unit Pairs, 2009-2012

Figure 22: Brazil Footwear Exports on the Basis of Value in USD, 2009-2012

Figure 23: Brazil Footwear Exports on the Basis of Volume in Unit Pairs, 2009-2012

Figure 24: Brazil Athletic Apparel and Footwear Market Size on the Basis of Revenues in USD Million, 2006-2012

Figure 25: Brazil Athletic Apparel and Footwear Market Segmentation on the Basis of Unit Volumes in Percentage, 2006-2012

Figure 26: Brazil Athletic Footwear Market Segmentation on the Basis of Revenues by Types of Footwear in Percentage, 2012

Figure 27: Brazil Athletic Apparel and Footwear Market Share on the Basis of Revenues of International Players in Percentage, 2012

Figure 28: Brazil Apparel and Footwear Market Share on the Basis of Revenues of Native Companies in Percentage, 2012

Figure 29: Brazil Athletic Apparel and Footwear Market Share on the Basis of Revenues in Percentage, 2012

Figure 30: Arezzo Brands and Their Key Product Areas

Figure 31: Brazil Apparel and Footwear Market Future Outlook on the Basis of Revenues in USD Million, 2013-2017

Figure 32: Brazil Textile Consumption in USD Million, 2006-2017

Figure 33: Brazil Cotton Consumption in Million Bales, 2006-2017

Figure 34: Brazil Population in Million, 2006-2017

Figure 35: Brazil Population Personal Disposable Income in USD Million, 2006-2017

## LIST OF TABLES

Table 1: Brazil Apparel and Footwear Market Growth Rate in Percentage, 2006-2012

Table 2: Brazil Apparel and Footwear Market Segmentation on the Basis of Revenues of Apparel and Footwear Segments in USD Million, 2006-2012

Table 3: Brazil Apparel Market Growth Rate in Percentage, 2006-2012

Table 4: Brazil Apparel Market Segmentation on the Basis of Purchases by End User in USD Million, 2006-2012

Table 5: Brazil Women Apparel Market Growth Rate in Percentage, 2006-2012

Table 6: Brazil Men Apparel Market Growth Rate in Percentage, 2006-2012

Table 7: Brazil Children Apparel Market Growth Rate in Percentage, 2006-2012

Table 8: Brazil Footwear Market Growth Rate in Percentage, 2006-2012

Table 9: Brazil Footwear Market Segmentation on the Basis of Types of Footwear in Million Pairs, 2009-2012

Table 10: Brazil Footwear Market Segmentation on the Basis of Production Contribution from Different Geographical Regions by Value and Quantity in Percentage, 2012

Table 11: Brazil Footwear Market Imports on the Basis of Value in USD, 2009-2012

Table 12: Brazil Footwear Market Imports on the Basis of Volume in Unit Pairs, 2009-2012

Table 13: Brazil Footwear Market Exports on the Basis of Value in USD, 2009-2012

Table 14: Brazil Footwear Market Exports on the Basis of Volume in Unit Pairs, 2009-2012

Table 15: Brazil Footwear Imports on the Basis of Type of Footwear in Percentage, 2011-2012

Table 16: Brazil Footwear Market Export on the Basis of Type of Footwear in Percentage, 2011-2012

Table 17: Brazil Athletic Apparel and Footwear Market Segmentation on the Basis of Volumes Consumed in Millions, 2006-2012

Table 18: Brazil Athletic Apparel and Footwear Market Channel of Distribution in Percentage, 2012

Table 19: Alparagatas S.A Brands and Their Key Product Areas

Table 20: Vulcabras Brands and Their Key Product Areas



Table 21: Adidas Major Products on the Basis of Gender

Table 22: CIA Hering Financials in USD, 2011-2012

Table 23: CIA Hering Brands and Their Key Product Areas

Table 24: Cause and Effect Relationship between Industry and Macro Economic Variables and Brazil Apparel and Footwear Market Future Prospects

Table 25: SWOT Analysis

Table 26: Brazil Cotton Industry Production, Imports, Exports and Consumption in Million Bales, 2006-2012

Table 27: Correlation Matrix of the Brazil Apparel and Footwear Industry

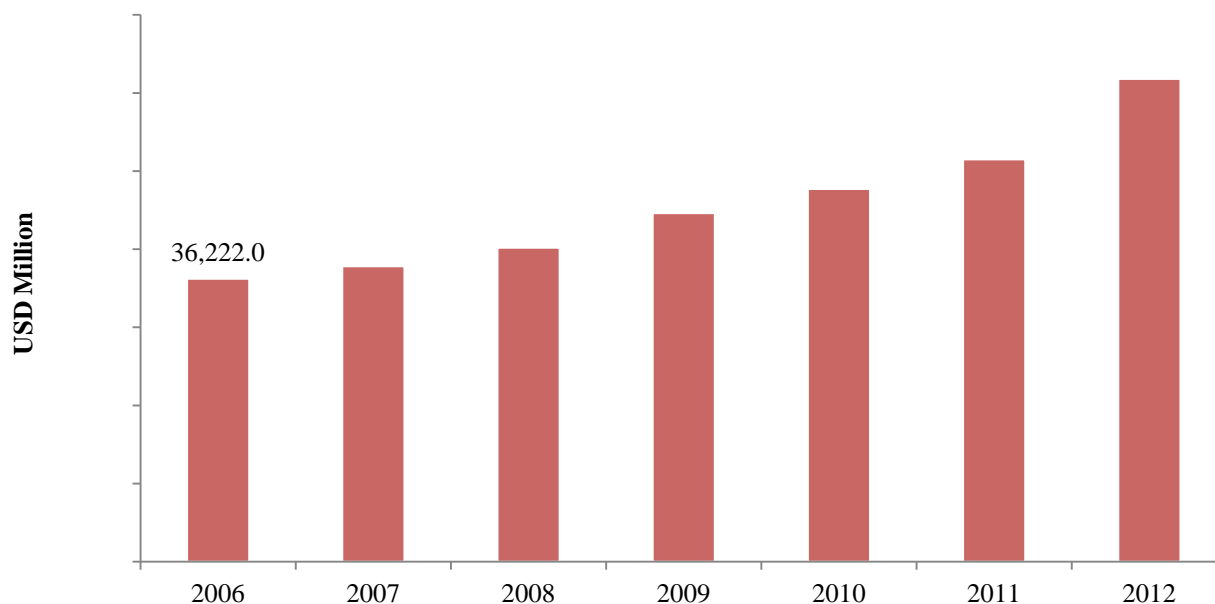
Table 28: Regression Coefficients Output

## BRAZIL APPAREL AND FOOTWEAR MARKET SIZE, 2006-2012

Brazil apparel and footwear market has showcased an upward thrust in terms of growth, inclining at the rate of 20% in 2012. During the same year, the market recorded revenues amounting to USD ~ million, growing from USD ~ million in 2011. A number of factors such as rising disposable income and increasing awareness of international fashion trends contributed to the market's immense growth in this period. The government of Brazil has taken several initiatives in order to provide business-friendly climate for apparel and footwear manufacturing and trading businesses...

...The apparel and footwear industry has witnessed a flourishing growth at the CAGR of ~% during the period of 2006-2012.

**Figure: Brazil Apparel and Footwear Market Size on the Basis of Revenues in USD Million, 2006-2012**



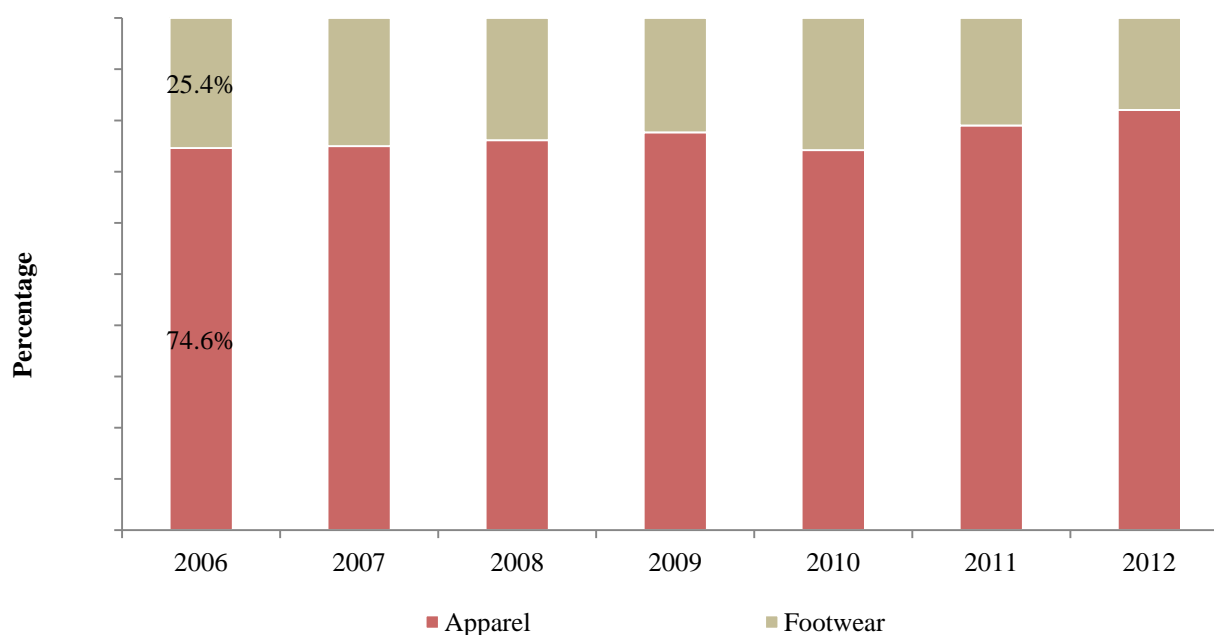
## BRAZIL APPAREL AND FOOTWEAR MARKET SEGMENTATION, 2006-2012

### BY PRODUCT, 2006-2012

On the basis of the product categories, the market has been broadly bifurcated into apparels and footwear. Throughout the period of 2006 to 2012, the apparel domain has dominated the overall market size of this industry. In the year 2012, the apparel segment contributed ~% to the overall market size, while the footwear category contributed the remaining ~%. Increasing fashion trends and deluge of international product lines in woman's apparel domain have been the key driving factors of the apparel market...

..The increasing number of wholesalers and retail chains coupled with increasing disposable incomes has encouraged the population of Brazil to shop relatively more on leisure and fashion related activities. In 2012, the apparel market clocked revenues USD ~ million and footwear accounted for USD ~ million.

**Figure: Brazil Apparel and Footwear Market Segmentation on the Basis of Revenues of Apparel and Footwear Segment in USD Million in Percentage, 2006-2012**



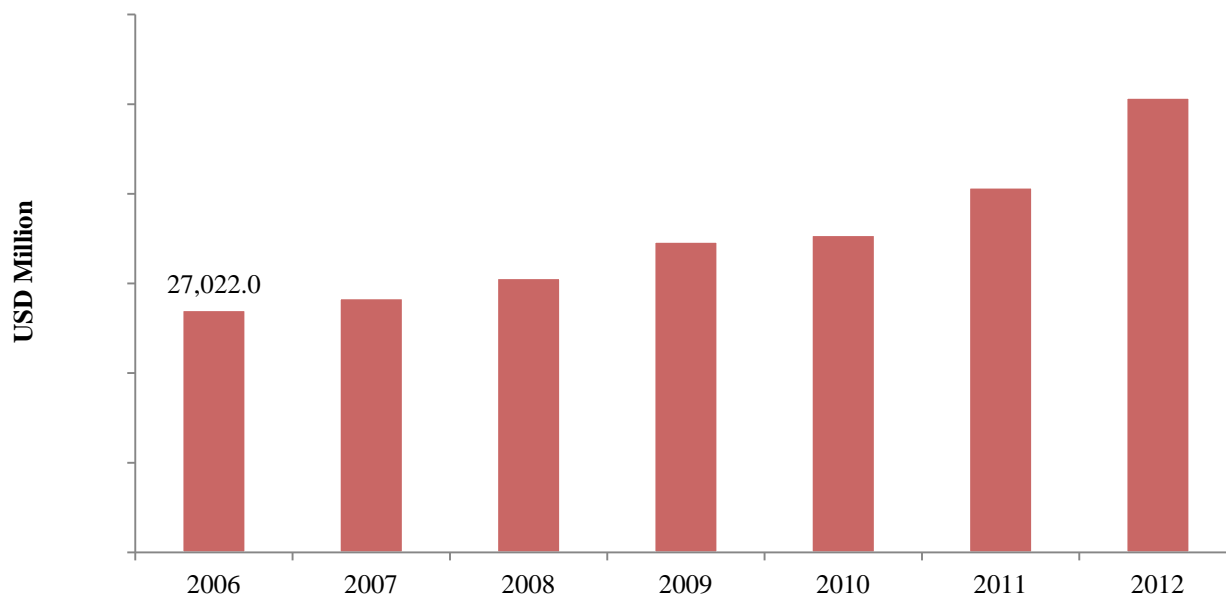
## BRAZIL APPAREL MARKET SIZE

### BY VALUE, 2006-2012

Brazil apparel market, which is highly driven by the personal expenditure of the population, has consistently witnessed an unwavering inclination during the period of 2006 to 2012. The apparel market clocked revenues of USD ~ million in 2012. During the same year, the apparel market showcased a massive growth rate of ~%. Women apparels, which require the maximum amount of customization and designing, have been showcasing an upward thrust in the Brazil market. The double digit growth in the overall apparel market size was due to the hike in sales of women apparels...

...The Brazil apparel market grew at the CAGR of ~% through the period of 2006-2012.

**Figure: Brazil Apparel Market Size on the Basis of Revenues in USD Million, 2006-2012**

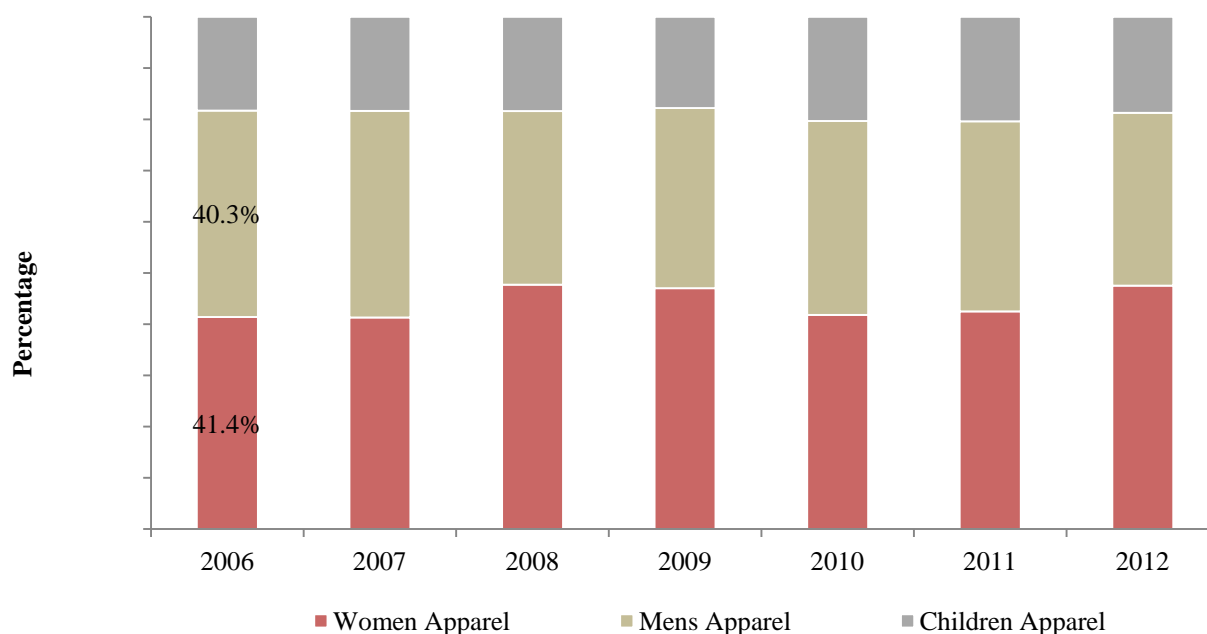


## BRAZIL APPAREL MARKET SEGMENTATION, 2006-2012

### BY END USER (MEN, WOMEN AND CHILDREN APPAREL), 2006-2012

On the basis of end users, the Brazil apparel market has been segmented into three broad categories including women's apparel, men's apparel and children's apparel. Women apparel has dominated the apparel domain consecutively from the period of 2006-2012. Women apparel accounted for the market share of ~%, with revenues of USD ~ million in 2012. Women wear includes various apparel product lines such as skirts, tops, jeans, and jackets, coats, swimming wear, night wear and undergarments. The women wear market has witnessed an upward trajectory in the past three consecutive years. The market showcased a slump in the year 2010 in terms of contribution to the overall apparel landscape...

**Figure: Brazil Apparel Market Segmentation on the Basis of Purchases by End-User (Men, Women and Children Apparel) in Percentage, 2006-2012**



**Table: Brazil Apparel Market Segmentation on the Basis of Purchases by End User in USD Million, 2006-2012**

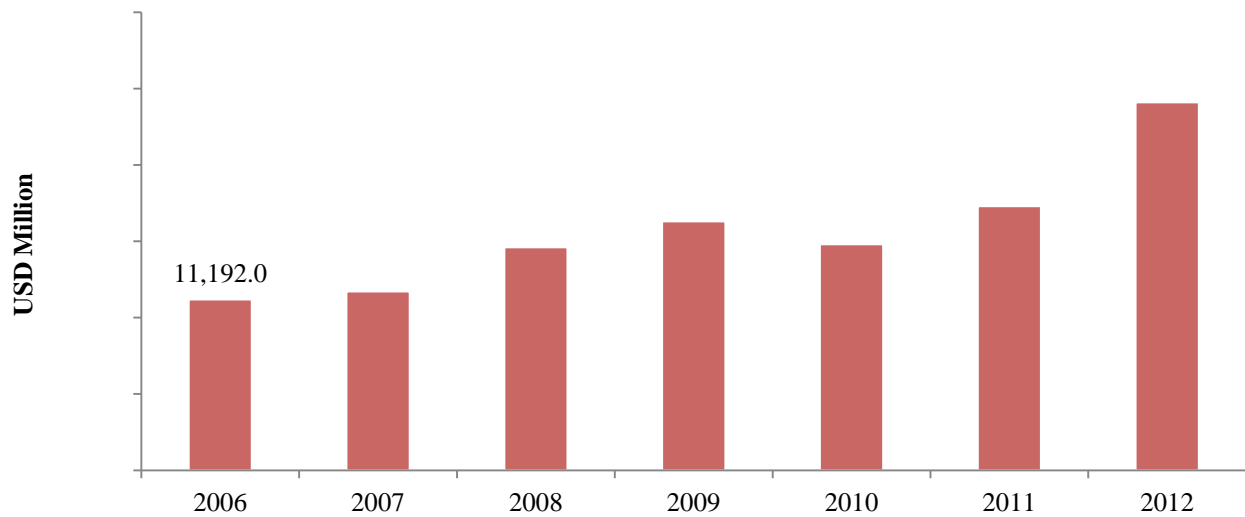
Category	2006	2007	2008	2009	2010	2011	2012
Women Apparel							
Mens Apparel	10,890.0						
Children Apparel		5,200.0					
<b>Total</b>							

### BRAZIL WOMEN APPAREL MARKET INTRODUCTION AND SIZE, 2006-2012

Over the period from 2006 to 2012, the women apparel market has managed to maintain its position as the largest category that falls under the apparel domain. Women, in Brazil, have been spending relatively more than the male set of the population. In terms of fashion followings, outdoor activities and participation in health and wellbeing activities, female consumers excel the males in Brazil. The increasing disposable income, rising urbanization and changing fashion and lifestyle trends have encouraged women to adopt new apparel products...

...The sales of women's apparel from brick and mortar stores were accounted for ~% of the overall sales of women's apparel in 2012. These retail stores include giant retailing chains, small scale retailers for local and native brands, discount stores, factory outlets and specialty stores. The rest of the ~% sales occurred through online shopping portals.

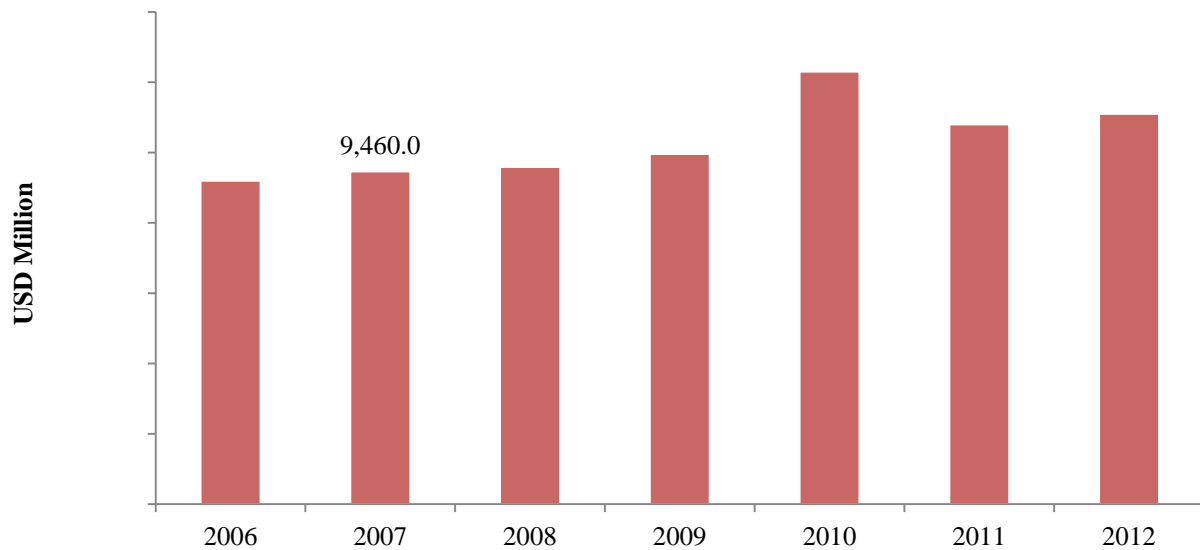
**Figure: Brazil Women Apparel Market Size on the Basis of Revenues in USD million, 2006-2012**



## BRAZIL FOOTWEAR MARKET SIZE

The footwear market in Brazil has showcased a wavering trajectory of growth over the period of 2006 to 2012. The footwear market in 2012 grew at the rate of 2.8% and recorded a turnover of USD ~ million, growing from USD ~ million in 2011. In terms of quantity, manufacturers in Brazil produced ~ million pairs of footwears in 2012, growing from ~ million pairs of shoes in 2011. Increase in sales of the Athletic shoes was witnessed which resulted into an upward thrust to the overall market in this year...

**Figure: Brazil Footwear Market Size on the Basis of Revenues in USD Million, 2006-2012**



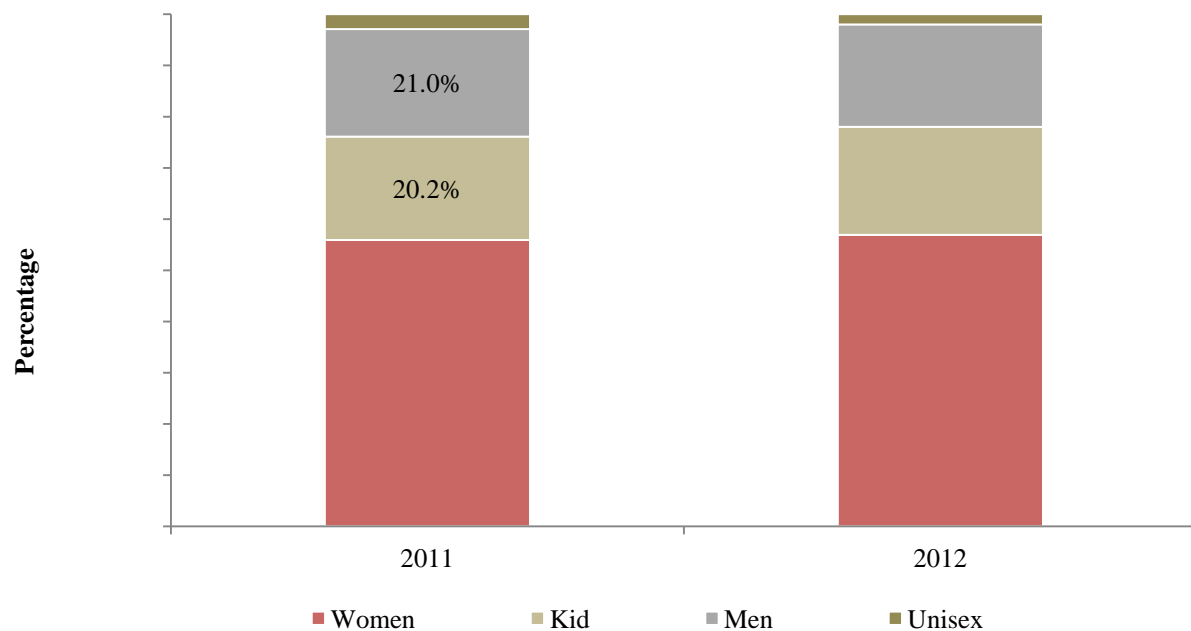
## **BRAZIL FOOTWEAR MARKET SEGMENTATION**

### **ON THE BASIS OF END USER (MEN, WOMEN, CHILDREN AND UNISEX FOOTWEARS), 2011-2012**

Brazil footwear market comprises of products that range across four broad categories, these are men's footwear, women's footwear, children footwear and unisex footwear products. With the evolving trends in the fashion landscape of Brazil, market for women footwear has witnessed a larger share of the pie in the last few years. Women's footwear occupied a dominant position in the market in 2012, contributing to ~% of the overall footwear market revenues. Women footwear category has grown dynamically over the years on account of the wide variety of styles, increasing adaptability due to the comfortability and causality of the outfits. In footwear categories such as leather and plastic shoes, women shoes are relatively expensive than men's footwear. This has enabled women footwear market to accumulate more revenues compared to other categories. Furthermore, in Brazil, women are much more fashion conscious in comparison to men...



**Figure: Brazil Footwear Market Segmentation on the Basis of Revenues by Gender in Percentage, 2011-2012**



## BY GEOGRAPHICAL DISTRIBUTION, 2012

In 2012, Southern Brazil contributed ~% to the overall sales of footwears, including cities such as Parana and Santa Catarina. In terms of the number of footwears produced, South Brazil contributed 33.0% to the overall footwear production. South east region of Brazil which includes cities of Sao Paulo and Rio de Janeiro have contributed ~% to the overall footwear market revenues. These are one of the most developed cities of Brazil comprising a dense urban population. In 2012, South Eastern Brazil contributed ~% to overall footwear production in million pairs...

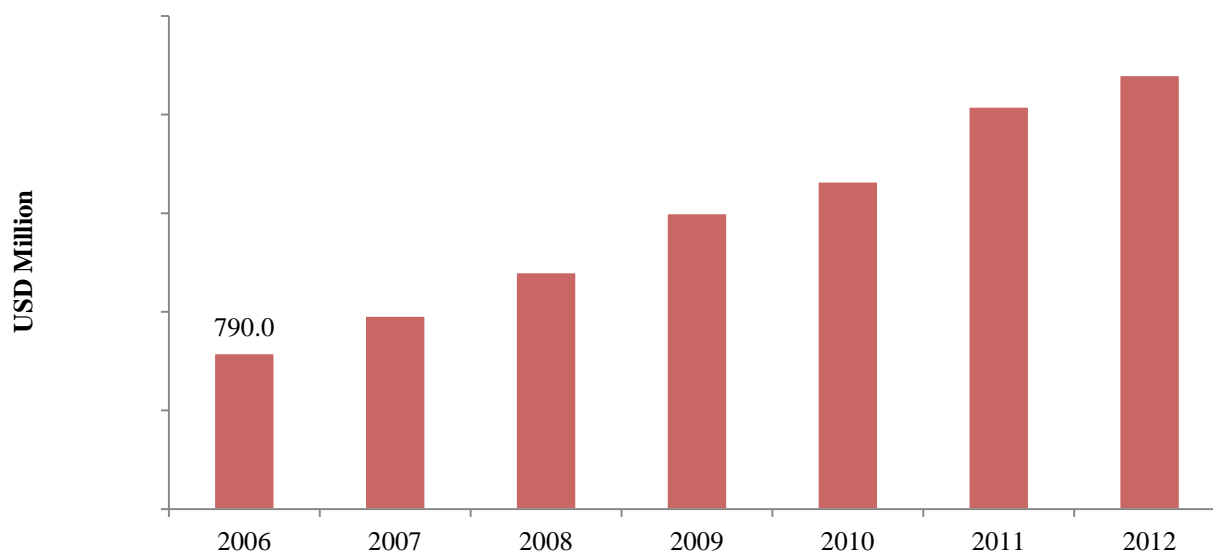
**Table: Brazil Footwear Market Segmentation on the Basis of Production in Different Geographical Regions by Value in USD and Quantity in Pairs, 2012**

Geography	South	North East	South East	Midwest	North
In Value					
In Volume (Million Pairs)	33.0%				

## BRAZIL ATHLETIC APPAREL AND FOOTWEAR MARKET SIZE, 2006-2012

The athletic apparel and footwear market clocked revenues of USD ~ million in 2012, growing from USD ~ million in 2011. The growth in the sales of athletic apparel and footwear was driven by the evolving fashion trends which led to hike in the demand for innovative designs and styles. Additionally, celebrity endorsements of a few products have incredibly fuelled the athletic apparel and footwear sales in the last few years...

**Figure: Brazil Athletic Apparel and Footwear Market Size on the Basis of Revenues in USD Million, 2006-2012**

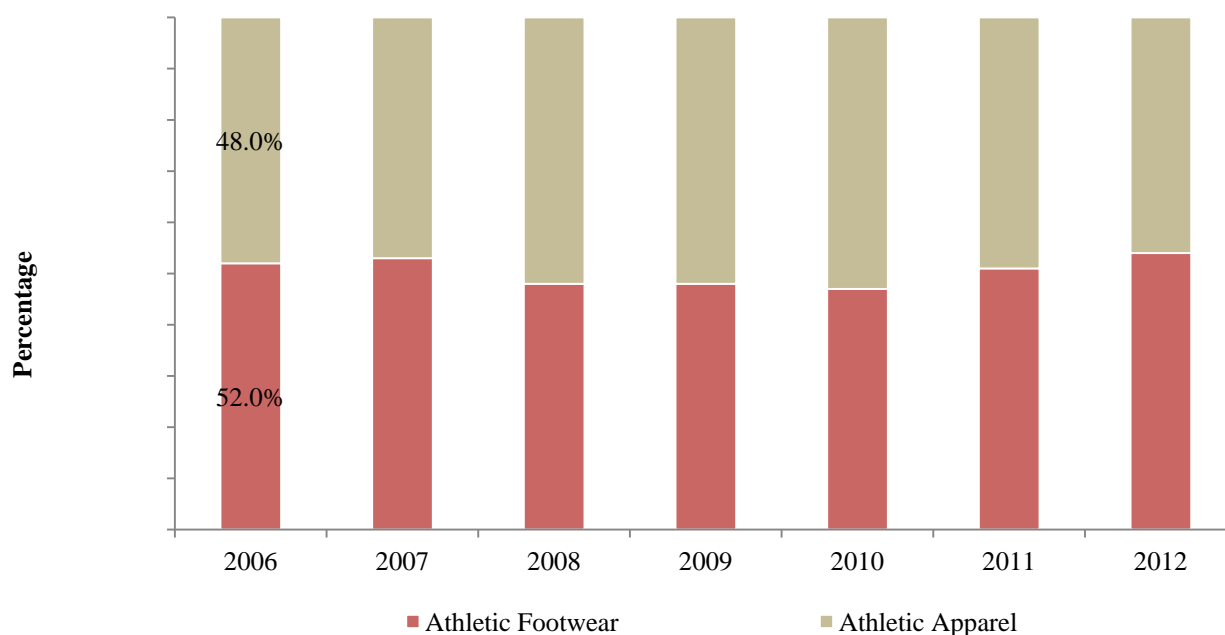


## BRAZIL ATHLETIC APPAREL AND FOOTWEAR MARKET SEGMENTATION, 2006-2012

### BY APPAREL AND FOOTWEAR

The Brazil market for sportswear has been traditionally dominated by athletic footwear which contributed ~% to the overall sportswear market in 2012. On the other hand, the contribution of athletic apparel has witnessed a decline over the last five years, plummeting from 48.0% in 2006 to ~% in 2012. The rising health awareness, changing lifestyles and increasing demand for comfortable footwear coupled with the growing need for innovative footwear designs and expanding disposable income levels have driven the consumer preference towards athletic footwear in the recent years.

**Figure: Brazil Athletic Apparel and Footwear Market Segmentation on the Basis of Unit Volumes in Percentage, 2006-2012**



## BY DISTRIBUTION CHANNEL, 2012

Sporting goods stores have historically collected the maximum revenues amongst the various channels of distribution for sports apparel and footwear products. In the year 2012, ~% of the overall revenues were registered by the sporting goods stores. Nike retail, Mizuno and Reebok are the some of the prevalent examples for such method of distribution of athletic apparel and footwear products. A number of factors have motivated the consumer towards buying products from sporting goods stores. Some of these include reliability, easy methods of payments and the availability of alternative options for the same equipment...

**Table: Brazil Athletic Apparel and Footwear Market Channel of Distribution in Percentage, 2012**

Channel of Distribution	2012
Sporting Goods Stores	
Online	
Specialty Stores	
Discount Sports	10%

## BRAZIL APPAREL AND FOOTWEAR MARKET SHARE

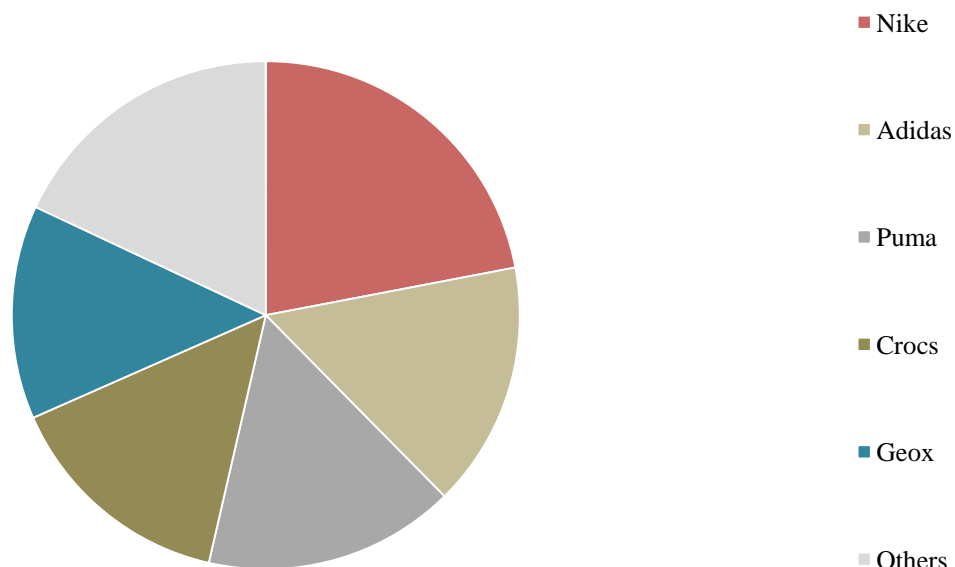
### BY INTERNATIONAL COMPANIES, 2012

Brazil market is highly fragmented, being distributed amongst ~ companies in the footwear segment and ~ in apparel segment. The international players have significantly expanded their business arms in Brazil's geography, contributing a large proportion of market share in the apparel and footwear industry vertical...

...Geox, which is a leading Italian apparel and footwear company, contributed 13.6% to the overall sales of apparel and footwear market in 2012. The company focuses on selling leather

footwear, luxurious apparel and other products of international fashion standards. The company's target audience is high and middle income set of the population, based on the contemplation that the Brazil has the largest number of HNWIs in whole Latin America. Other international companies in Brazil apparel and footwear market contributed ~% to the overall sales in 2012.

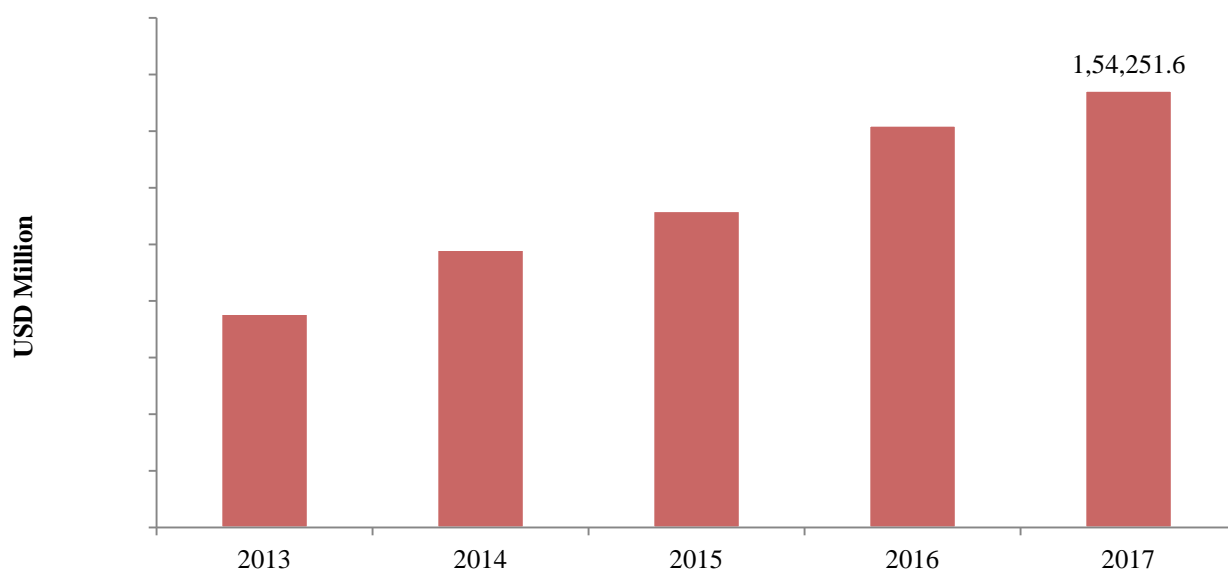
**Figure: Brazil Athletic Apparel and Footwear Market Share on the Basis of Revenues of International Players in Percentage, 2012**



## BRAZIL APPAREL AND FOOTWEAR MARKET FUTURE OUTLOOK

Brazil is one of the rapidly augmenting economies in the world. The country is gaining massive traction in the fields of tourism and manufacturing industry. Increasing urbanization has been witnessed in Brazil in the past few years with approximately ~% of the population residing in urban areas in 2012. Heavy demand of clothes and shoes from this set of population has historically been conducive to the growth of apparel and footwear market in Brazil. This trend is expected to grow in the future as well, as more people migrate to urban areas in light of mounting disposable incomes and rising standards of living. Brazil apparel and footwear industry, which has grown at a CAGR of ~%, will incline at a compounded annual rate of ~%, growing from USD ~million in 2012 to USD 154,251.6 million in 2017...

**Figure: Brazil Apparel and Footwear Market Future Outlook on the Basis of Revenues in USD Million, 2013-2017**



## DISCLAIMER

The research reports provided by Ken Research are for the personal information of the authorized recipient and is not for public distribution and should not be reproduced or redistributed without prior permission. You are permitted to print or download extracts from this material for your personal use only. None of this material may be used for any commercial or public use.

The information provided in the research documents is from publicly available data and other sources, which are reliable. Efforts are made to try and ensure accuracy of data. With respect to documents available, neither the company nor any of its employees makes any warranty, express or implied, including the warranties of merchantability and fitness for a particular purpose, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use will not infringe privately owned rights.

The report also includes analysis and views expressed by our research team. The research reports are purely for information purposes. The opinions expressed are our current opinions as of the date appearing in the material and may be subject to change from time to time without notice. Investors should not solely rely on the information contained in the research documents and must make investment decisions based on their own investment objectives, risk profile and financial position. The recipients of this material should take their own professional advice before acting on this information.

Ken Research will not accept returns of reports once dispatched due to the confidentiality of information provided in our reports. In case, a report qualifies for return, we will issue a credit, minus shipping charges, of equal value to the original purchase price, toward a future purchase—no refunds. The decision about whether the product return can be accepted or not is solely at our discretion. Any dispute will be subject to the laws of India and exclusive jurisdiction of Indian Courts.

*No part of this manual or any material appearing may be reproduced, stored in or transmitted on any other Web site without written permission of Ken Research and any payments of a specified fee. Requests to republish any material may be sent to us.*