

Hold Onto Your Hats As Handbag Market Soars

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Iconic British women are never pictured without one on their arm....no not a handsome young beau, but in fact a handbag, the ultimate, must-have accessory. Latest research from MINTEL finds British women getting carried away by their love of handbags as sales grew by a massive 146% between 2000 and 2005 to reach Â£350 million.

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Today, designer handbags remain in demand and prices up to Â£1,000 for these much sought-after products are not uncommon. But the strength of the handbags sector is being drawn from the success of high street stores, which have shown that their mass-produced lines can compete with designer bags. The great influx of cheaper imports and own label handbags entering the market have encouraged British women to have an ever increasing number of handbags in their wardrobes. Price tag clearly is important.

"Women have been buying handbags at such an incredible rate that the market value has achieved very healthy growth, despite falling prices. The rising number of working women has played a key role in this market as they not only have the money, but also the need for stylish, well-accessorised outfits and handbags in a way that has never before been experienced. It is now commonplace for women to have a wide variety of bags for a whole host of different occasions from smart evenings out to a night in the pub and from a day in the office to a day out shopping," comments Claire Birks, senior market analyst at MINTEL.

Handbags hold the keys to success

Whilst sales of women's outerwear grew by 12% in the period 2000-05, this has been completely outstripped by growth in the accessories market* as a whole, which grew by a healthy 68%, reaching some Â£574.5 million in 2005. British women are clearly having bags of fun with accessories in general fuelling impressive growth. But handbags are the real jewel in the crown, experiencing three-digit growth over the same five year period as they continue to outperform hats, gloves, scarves and belts with ease.

It is interesting to see that grocery multiples grew their share of the accessories market by some 122% between 2000 and 2004 alone. The fact that supermarkets have focused more on developing accessory lines within their stores, shows just how mainstream these products have become.

MINTEL predicts that women's accessories will continue to grow at a similar rate (64%) over the 2005-10 period, nearing an estimated value of Â£942 million by 2010. Overall development in the market will be virtually dictated by the fortune of the handbags sector. Accounting for 64% of the market in 2005, the handbags sector will amount to 72% of market value in 2010, presuming these growth rates prevail.

* includes hats, scarves and shawls, gloves, belts and handbags

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