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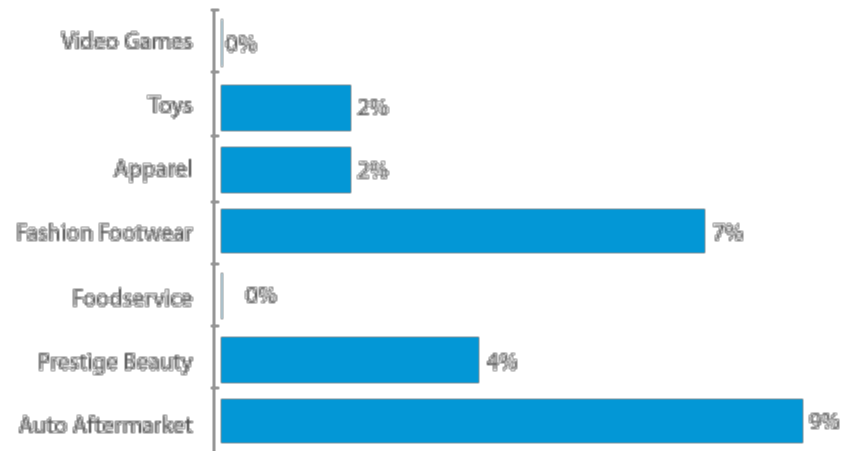
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## 2010 Consumer Spending Trends

Our look at 2010 annual sales tells a tale of bright spots in some sectors and no growth in others. How did your industry measure up? And where are your most promising growth opportunities?

### Sales by Industry Dollar Sales Change 2010 vs. 2009



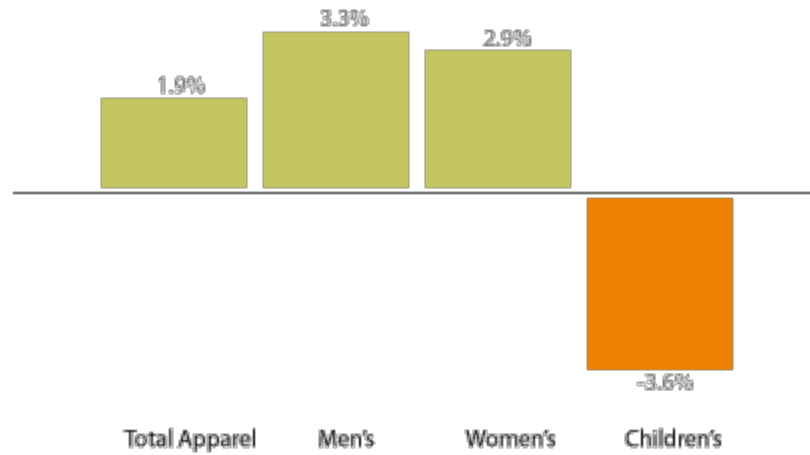
### Apparel

After having declined just over 5 percent in 2009, the U.S. apparel market returned to positive territory with an almost 2 percent increase for 2010. In this sector of the fashion market women are once again leading the way. Women's apparel sales increased 2.9 percent in 2010 after having declined almost 5 percent in 2009. The men's market is up just over 3 percent in 2010 after a 5.6 percent decline in 2009. The children's apparel market is down in dollar sales but up almost 1 percent in unit sales.

## GLOBAL REACH

<a href="#">Australia</a>	<a href="#">Mexico</a>
<a href="#">Austria</a>	<a href="#">Netherlands</a>
<a href="#">Belgium</a>	<a href="#">New Zealand</a>
<a href="#">Brazil</a>	<a href="#">Poland</a>
<a href="#">Canada</a>	<a href="#">Portugal</a>
<a href="#">China</a>	<a href="#">Russia</a>
<a href="#">France</a>	<a href="#">Spain</a>
<a href="#">Germany</a>	<a href="#">Sweden</a>
<a href="#">Italy</a>	<a href="#">Taiwan</a>
<a href="#">Japan</a>	<a href="#">United Kingdom</a>
<a href="#">Korea</a>	<a href="#">United States</a>

## U.S. Fashion Apparel Dollar Percent Change 2010 vs. 2009



What categories captivated consumers' attention in 2010? In the women's market skirts and dresses continue to be standouts. Sales of women's skirts were up almost 13 percent for 2010 and dress sales were up almost 4 percent.

"Women have migrated into skirts even though the industry isn't promoting them as a fashion trend," said Marshal Cohen, chief industry analyst, "And dresses continue to post growth because they are being worn year-round and are no longer relegated only to spring wardrobes. We have seen this trend get carried over into to tights which were a hot fashion accessory this year, showing 33 percent growth."

### Automotive

For the past year and a half, U.S. consumers intent to hang on to aging vehicles as long as possible have ignited a robust rebound in the sales of replacement parts in auto parts stores - the primary driver of this year's 8.6 percent growth. Our recent survey showed even consumers with cars 10 years old and older plan on keeping those cars another five years on average. In an era where a decade-old car is no longer considered an "old" car, but simply an "average" car, it is no surprise that replacement parts are needed for consumers to keep their vehicles on the road. Commercial sales benefited most in 2010, with a dollar volume gain of 11.3 percent. Retail had a good year, as well, with a gain of 6.9 percent.

### Beauty

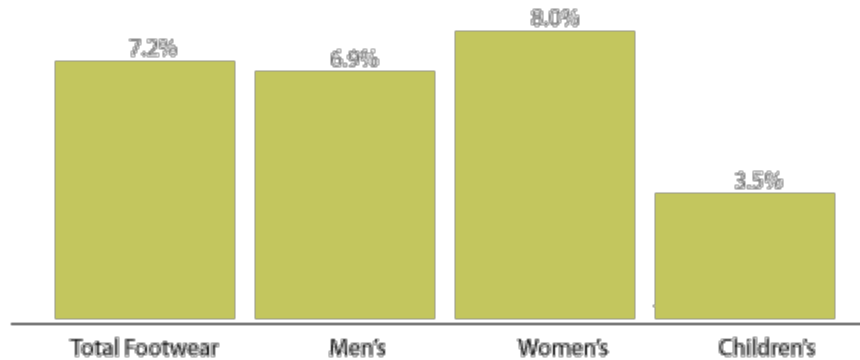
The total U.S. prestige beauty industry showed an increase of 4 percent in dollar sales in 2010 vs. 2009, after two consecutive years of decline. All U.S. prestige beauty categories experienced dollar growth this year. This is in stark comparison to 2009, when all categories and the total prestige industry declined. Prestige skincare posted the biggest increase, followed by prestige makeup and prestige fragrance.

"What a difference a year makes! If there were any doubts about the continued appeal of prestige beauty products and the tenacity of the beauty industry after the declines of 2009, then 2010 provided a loud, clear, and most encouraging answer," said Karen Grant, vice president and senior global industry analyst. "Prestige beauty saw the quick recovery of skincare, which by June, had surpassed pre-recession levels. This was followed by a gradual upturn in makeup, and finally, a late-year rally in fragrance. Prestige beauty is well positioned for a positive year in 2011," Grant said.

### Fashion Footwear

After posting a decline of 3.5 percent for annual 2009, the total fashion footwear market has posted a 7.2 percent increase for all of 2010.

**U.S. Fashion Footwear**  
Dollar Percent Change 2010 vs. 2009



The strongest performance was seen in the women's market. Sales of women's fashion footwear were up 8 percent after having posted a slight decline in 2009. The categories that contributed most to the growth were: performance (+120 percent), work/occupational/safety (+44.2 percent) and outdoor (+14.4 percent). The footwear-type posting the highest growth in the women's market for 2010 was boots, up 21 percent.

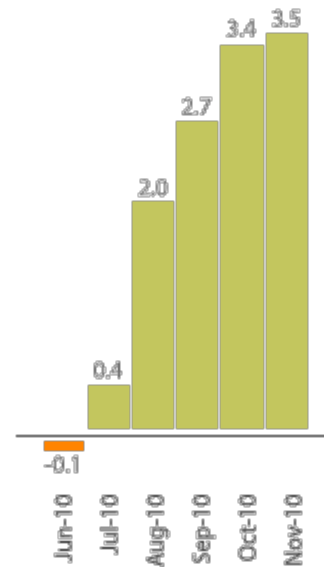
"The footwear market was the last to feel the pain of the recession and is the first to feel the gain of the recovery and women are leading the charge," said Marshal Cohen, chief industry analyst, "Women were the first to feel 'frugal fatigue' and head back to spending on fashion product while spending on men's and children's products has followed."

**Foodservice**

Consumers spent 1.8 percent more on commercial foodservice meals and snacks this fall – the third quarter of positive trend over year-prior spending. On an annual basis, consumers spent about as much on restaurant meals and snacks as they did in 2009.

An even more encouraging sign was the four-month growth trend in same-store sales trends reported by our [\*\*SalesTrack Weekly\*\*](#) service.

### SalesTrack Weekly Same-Store Sales Percent Change vs. Year Ago



Major chains' share of commercial foodservice traffic grew from 55 percent in 2004 to 60 percent in 2010.

#### Top ten growth chains in 2010

- McDonald's
- Subway
- Dunkin' Donuts
- Domino's Pizza
- Starbucks
- Panera
- Chipotle
- 7-Eleven
- Little Caesars
- Tim Hortons

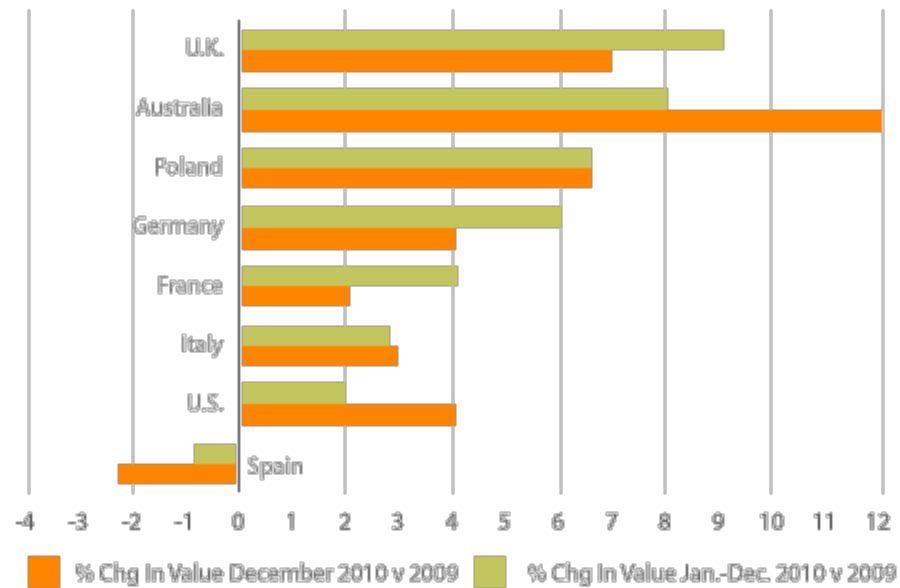
Marketing efforts and new product initiatives like value menu offers, enhanced beverage programs, new products, addition of breakfast menus, food innovation, higher quality offerings, re-invention of image and products, and green positioning paid off for many chains.

#### Toys

Led by strong fourth quarter (October 2010 - December 2010) sales, U.S. retail sales of toys generated \$21.87 billion in 2010 compared to \$21.46 billion in 2009, an increase of 2 percent. Top-performing supercategories included plush (+18 percent), building sets( 13 percent), outdoor & sports toys (9 percent), dolls (6 percent), and infant/preschool (6 percent). Youth electronics, action figures/accessories/role play, and games/puzzles experienced the most significant declines when compared to 2009, at 22 percent, 15 percent, and 9 percent, respectively.

Toy sales around the globe reflected positive news as well.

### Value Trends in Toy Sales Around the Globe



Source: The NPD Group/EuroToys POS tracking, Consumer Tracking Service in the U.S., OzToys in Australia

Licensed toys represented 25 percent of U.S. total industry sales in 2010. Based on dollar sales (in alphabetical order), Cars: The Movie, Disney Princess, Star Wars, Thomas and Friends, and Toy Story topped the list of 2010's best-selling licensed properties.

"Looking forward to 2011, there is much optimism coming off the strong holiday performance for toys," said Anita Frazier, industry analyst, The NPD Group. "From our **KIDS** tracker, we know that toys is one of the top categories kids are spending their holiday gift cards on. With an improving economy, several movie releases, and a wide array of innovative product coming to market, 2011 looks to be another solid year for **toy sales**."

#### Video Games

The preliminary estimate\* for total U.S. consumer spend on gaming content via all monetization methods, including new physical video and PC games, used games, game rentals, subscriptions, digital full-game downloads, **social network games**, downloadable content, and mobile game apps, is between \$15.4 and \$15.6 billion. This total consumer spend on games content in 2010 represent sales that are flat to down by as much as 1 percent when compared to 2009.

Bright spots came from PC games new physical retail software, which was up 3 percent in 2010, as well as increases in the consumer spend on used games sales, full-game digital downloads and downloadable content, mobile gaming apps, and social network gaming, which offset declines in console and portable new physical game sales, rentals, and subscriptions.

"The dynamics of games content purchasing changed dramatically in 2010 with options ranging from the physical product to digital downloads on connected devices as well as in-store digital kiosks," said Anita Frazier. "The increasing number of ways to acquire the content has allowed the industry to maintain total consumer spend on content as compared to 2009, and we should expect 2011 to be a growth year in the games industry as the consumer demand for gaming continues to evolve."

\* A final estimate of the total U.S. consumer spend on the games industry will be released in March with the release of the latest data from our new ***Games Industry: Total Consumer Spend (2010)*** service.

***To find out how NPD information and insights can help you anticipate 2011 trends, contact Charles Camaroto at 866-444-1411 ([contactnpd@npd.com](mailto:contactnpd@npd.com)).***



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