China is projected to become the world’s largest apparel market with spending expected to double over the next 15 years.

Winning China’s upper middle class will require a faster, more sustainable supply chain, unique, natural fiber offerings, and stronger customer support.

Opportunities exist to turn customers into brand ambassadors on social media to foster viral promotions and drive traffic across platforms.

The sustainability issues Chinese consumers deal with on a regular basis make them more likely than other shoppers to seek sustainable styles.
The projected doubling in China’s apparel market will be driven by its upper middle class. The upper middle class in China is projected to grow from 8% of the population to 31% by 2030, and with it will come a consumer group who shops and spends more, is more fashion-forward, and is even more willing to pay a premium for quality. Winning these customers’ loyalty will require meeting their needs for faster-fashion, sustainability, and natural fiber offerings.

**TOP SOURCES OF CLOTHING IDEAS**

- **70% online**
- **53% already own**
- **43% friends & colleagues**
- **31% TV**

**APPAREL SHOPPING HABITS BY INCOME CLASSES**

<table>
<thead>
<tr>
<th>Feature</th>
<th>UPPER MIDDLE</th>
<th>MASS MIDDLE</th>
<th>POOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay more for better quality apparel</td>
<td>75%</td>
<td>64%</td>
<td>48%</td>
</tr>
<tr>
<td>Stay on cutting edge of fashion</td>
<td>61%</td>
<td>50%</td>
<td>29%</td>
</tr>
<tr>
<td>Shop for clothing once per month or more</td>
<td>27%</td>
<td>15%</td>
<td>7%</td>
</tr>
<tr>
<td>Average annual spending on apparel (RMB)</td>
<td>3,821</td>
<td>2,667</td>
<td>2,010</td>
</tr>
</tbody>
</table>

**TOP 5 CLOTHING PURCHASE DRIVERS**

1. **fit**
2. **comfort**
3. **quality**
4. **style**
5. **fiber**

Nearly 9 in 10 consumers say e-commerce sites are their top online source of clothing inspiration.
OMNICHANNEL SHOPPING

Although online apparel and footwear spending is projected to more than double over the next five years, e-commerce giants such as Taobao, Tmall, & JD.com dominate the market, making it difficult for individual apparel brands to stand-out. However, there are over 600 million social media users in China, the majority of which are not following brands or promoting their products. Opportunities exist to turn customers into brand ambassadors on social media to foster viral promotions and drive traffic across your platforms.

FACTORS THAT MAY INFLUENCE ONLINE SHOPPING DECISIONS

- **78%** customer reviews
- **80%** detailed size information
- **77%** detailed fit information
- **75%** view in multiple colors
- **74%** material/fabric information

ACTIVITIES ON SOCIAL MEDIA

- **65%** watch videos
- **54%** read news/information
- **46%** share media
- **17%** follow brand/company
- **12%** promote products

WHAT CONSUMERS WANT FROM APPAREL BRANDS ON SOCIAL MEDIA

- **64%** share the newest clothing styles
- **52%** share information about promotions
- **45%** give ideas & tips on what to wear
- **27%** post entertaining product videos
- **27%** exclusive deals

Online apparel & footwear sales are projected to grow 132% from $61.1bn in 2015 to $141.5bn by 2020.

96% shop for clothing online and start their online shopping using...

- **76%** e-commerce websites
- **50%** e-commerce apps
- **23%** retailer/brand websites
SEEKING SUSTAINABLE APPAREL

Sustainability issues such as air quality, food safety, and water quality are top environmental concerns among Chinese consumers. Dealing with these issues on a daily basis makes sustainability an important factor in their purchase decisions. Cotton offers brands the opportunity to address Chinese consumers’ sustainability needs as well as their desire for trust, authenticity, and comfort.

% SAYING THE FOLLOWING FIBERS ARE SAFE FOR THE ENVIRONMENT

- Cotton: 84%
- Modal: 63%
- Rayon: 61%
- Polyester: 46%
- Nylon: 44%

TOP SUSTAINABILITY/SOCIAL CONCERNS

- Food Safety: 89%
- Air Quality: 89%
- Water Scarcity: 87%

SUSTAINABILITY...

- Is important in my apparel purchase: 69%
- Is something I seek out in my apparel: 65%
- When it’s lacking, I blame the industry: 59%

TOP CONCERNS REGARDING COTTON PRODUCTION

1. Amount of chemicals & pesticides used
2. Amount of water used
3. Greenhouse gas emissions

COTTON SUSTAINABILITY STATS

U.S. cotton farmers have reduced pesticide applications by HALF over the past 30 years.

Over the past two decades, U.S. cotton farmers have improved water efficiency by approximately 80%.


Source: Cotton Council International and Cotton Incorporated’s Global Lifestyle Monitor Survey, a biennial consumer research study. In the 2016 survey, approximately 10,000 consumers (i.e. 1,000 consumers in 10 countries) were surveyed. CCI & Cotton Incorporated’s 2015 Chinese Consumer Survey, an ongoing consumer survey that interviews 4,000 Chinese consumers across over 100 cities annually. External Source: Euromonitor International.