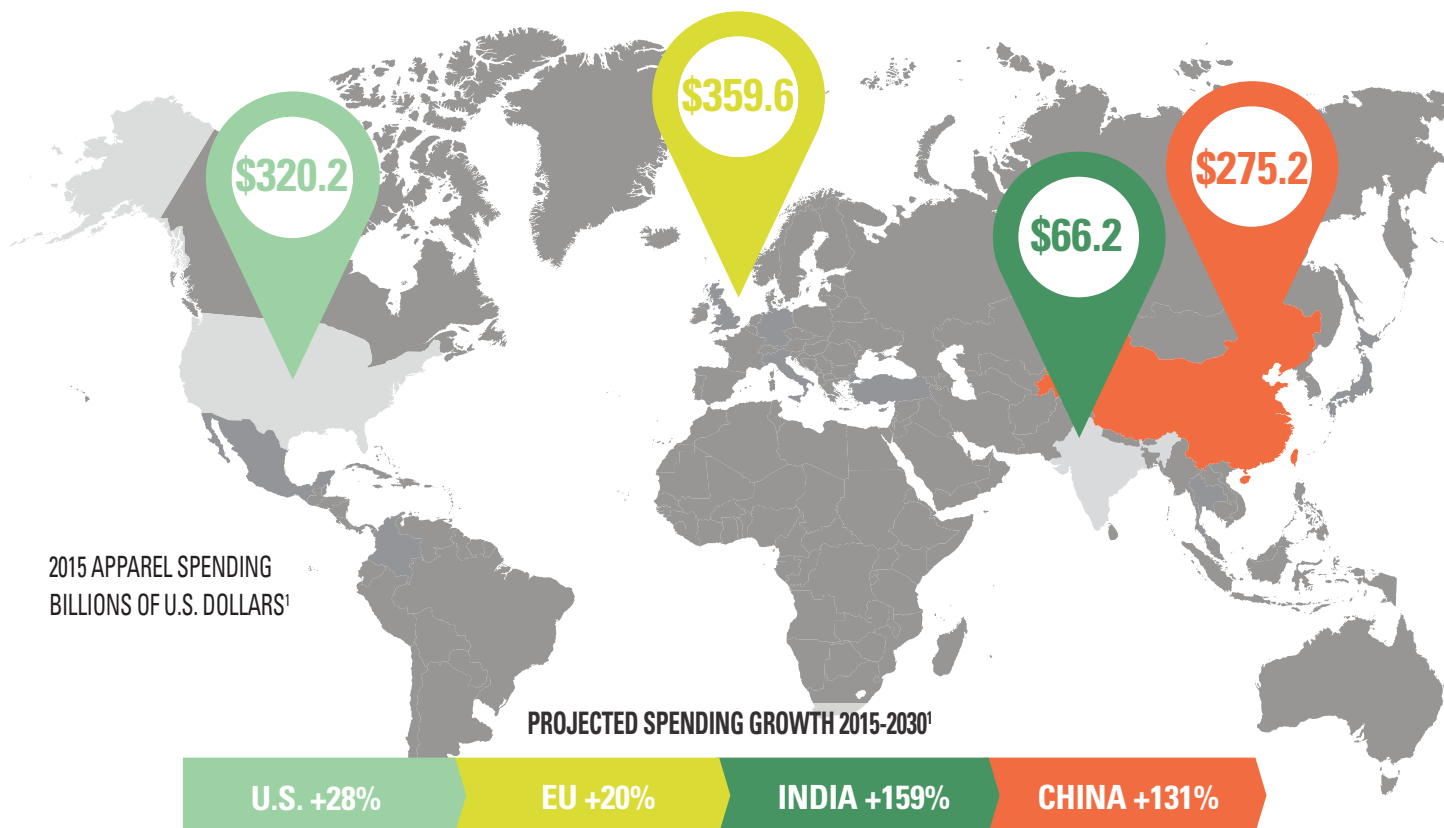


GLOBAL CONSUMER INSIGHTS

GLOBAL LIFESTYLE MONITOR: CHINA



APPAREL SPENDING



KEY TRENDS



SPENDING

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



SHOPPING

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



OMNICHANNEL

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



SUSTAINABILITY

The sustainability issues Chinese consumers deal with on a regular basis make them more likely than other shoppers to seek sustainable styles.

GLOBAL LIFESTYLE MONITOR: CHINA

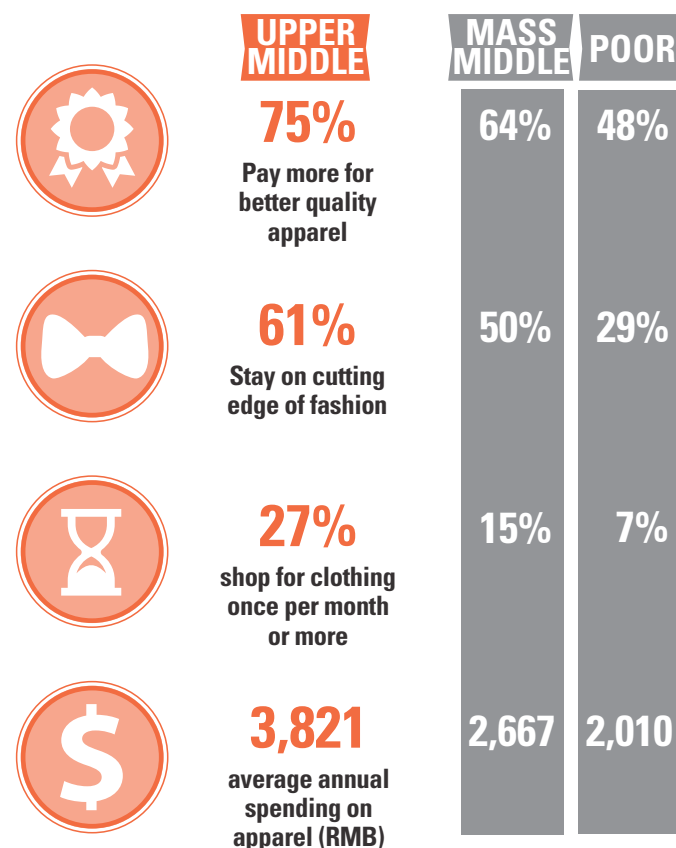
APPAREL SHOPPING ATTITUDES & HABITS

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 2030¹ 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



APPAREL SHOPPING HABITS BY INCOME CLASSES



% LIKELY TO SHOP AT A CLOTHING STORE OFFERING...

	UPPER MIDDLE	MASS MIDDLE	POOR
APPAREL MADE FROM NATURAL FIBERS	81%	75%	72%
PRODUCT EDUCATION	72%	57%	45%
SUSTAINABLE APPAREL	62%	50%	39%
NEW STYLES >1X MONTH	54%	36%	33%
EXCLUSIVE CELEBRITY/DESIGNER CLOTHING	51%	40%	26%

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

TOP 5 CLOTHING PURCHASE DRIVERS

fit



comfort



quality



style



fiber



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.

ACTIVITIES ON SOCIAL MEDIA



65%

watch videos



54%

read news/
information



46%

share media



17%

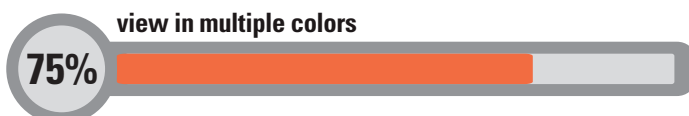
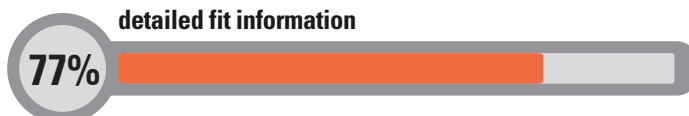
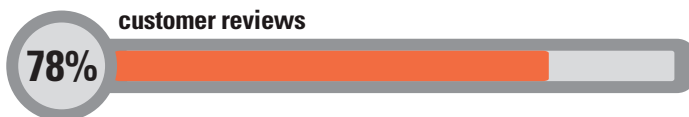
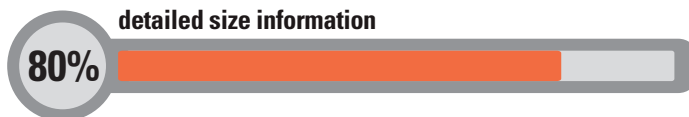
follow
brand/company



12%

promote products

FACTORS THAT MAY INFLUENCE ONLINE SHOPPING DECISIONS



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

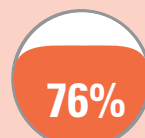
27%

exclusive deals



Online apparel & footwear sales are projected to grow 132% from \$61.1bn in 2015 to \$141.5bn by 2020¹.

96% SHOP FOR CLOTHING ONLINE AND START THEIR ONLINE SHOPPING USING...



e-commerce
websites



e-commerce
apps



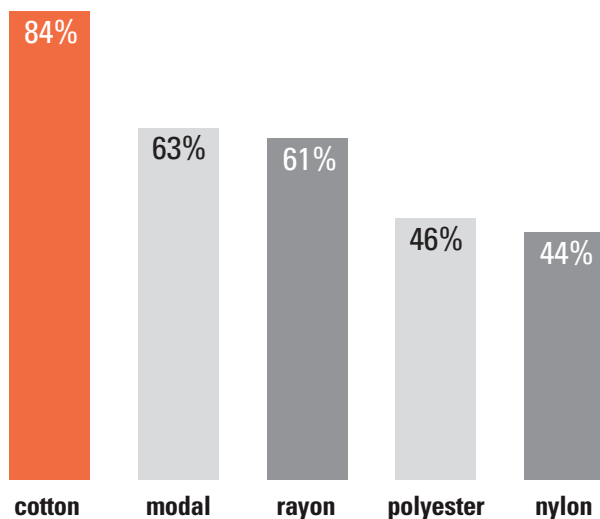
retailer/brand
websites

GLOBAL LIFESTYLE MONITOR: CHINA

SEEKING SUSTAINABLE APPAREL

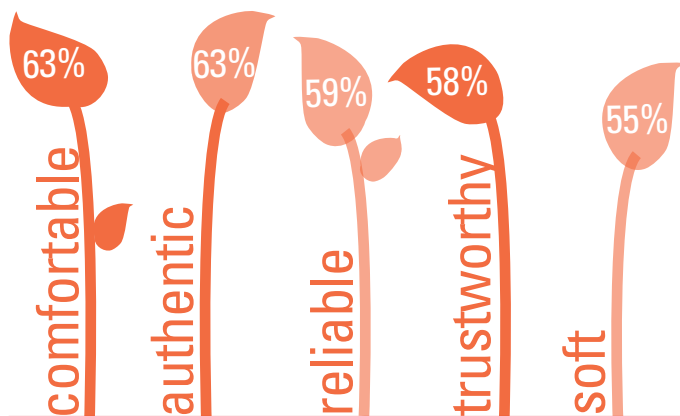
Sustainability issues such as air quality, food safety, and water quality are top environmental concerns among Chinese consumers. Dealing with these issues on a daily basis makes sustainability an important factor in their purchase decisions. Cotton offers brands the opportunity to address Chinese consumers'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

% SAYING THE FOLLOWING FIBERS ARE SAFE FOR THE ENVIRONMENT



73% of consumers prefer cotton-rich clothing.

COMPARED TO CLOTHING FROM MANMADE FIBERS, COTTON IS VIEWED AS THE MOST...



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%**.

DISCOVER WHAT COTTON CAN DOSM at CottonToday.CottonInc.com.



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 International¹