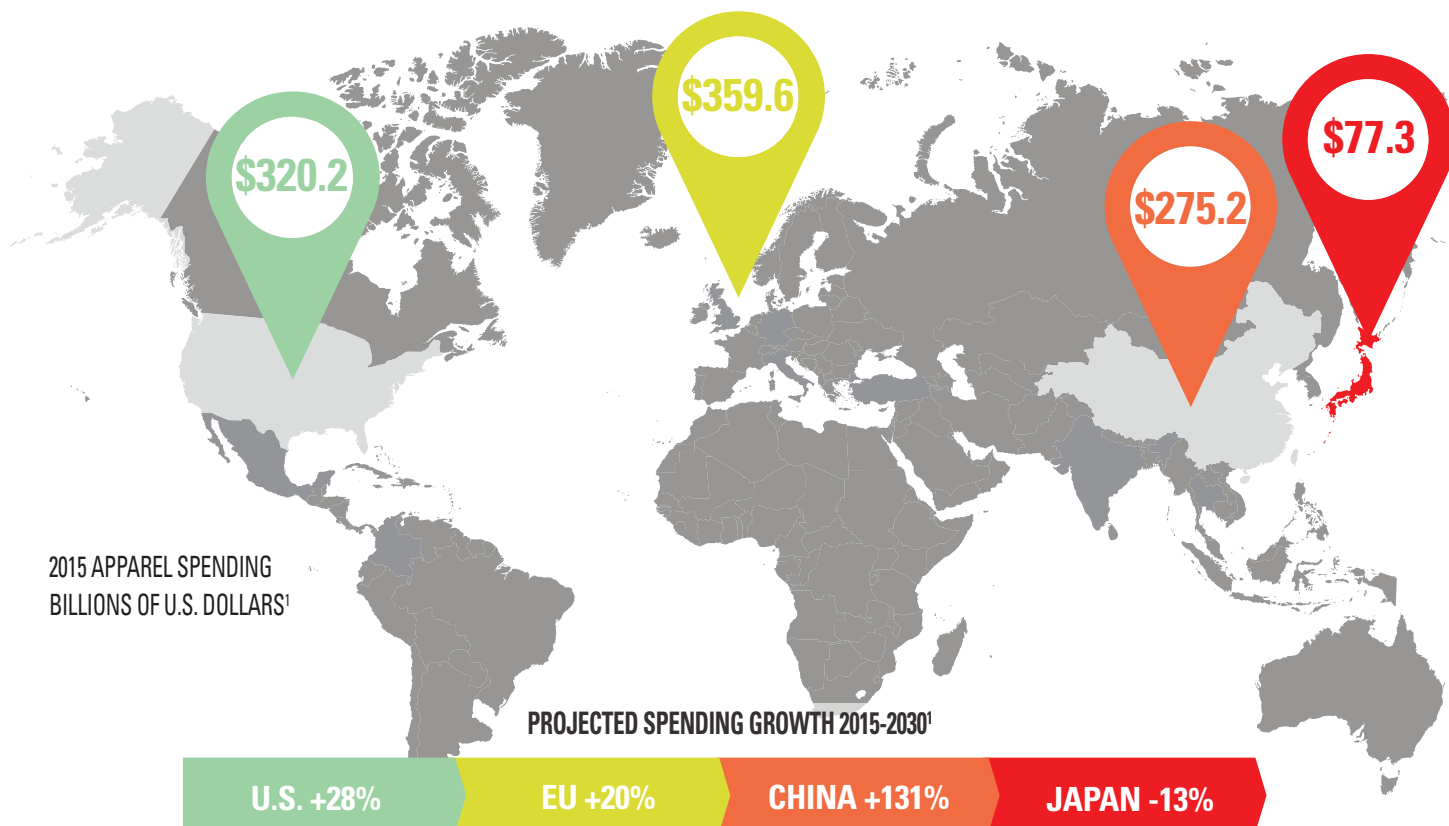


GLOBAL CONSUMER INSIGHTS

GLOBAL LIFESTYLE MONITOR: JAPAN



APPAREL SPENDING



KEY TRENDS



SPENDING

Weak apparel spending projections will foster an even more competitive market in the coming decades.



SHOPPING

Developing an integrated digital presence that satisfies online shoppers and drives traffic to physical stores will be essential to cultivate sales.



OMNICHANNEL

The dominance of e-commerce sites will require apparel brands to create an elevated digital experience that attracts customers.



SUSTAINABILITY

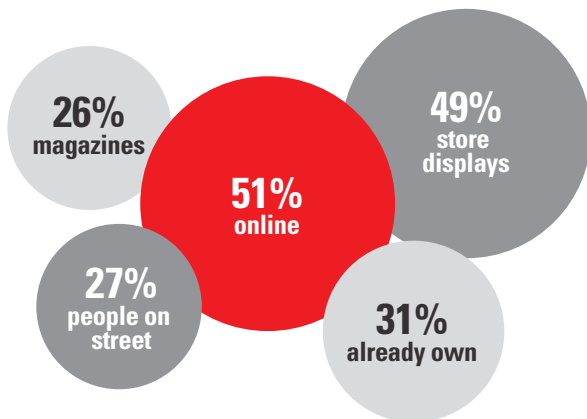
Utilizing cotton offers apparel brands the chance to tout the sustainable, functional, and emotional benefits that consumers are more likely to associate with cotton than with manmade fibers.

GLOBAL LIFESTYLE MONITOR: JAPAN

APPAREL SHOPPING ATTITUDES & HABITS

Clothes shopping affinity, frequency, and impulse purchasing has declined in Japan over the past fifteen years. Yet, the growing popularity of online shopping offers brands the opportunity to tap into a customer base who is more likely to enjoy clothes shopping and to be on the hunt for new styles. Developing an integrated digital presence that satisfies online shoppers and drives traffic to physical stores will be essential to cultivate sales growth in a weak market.

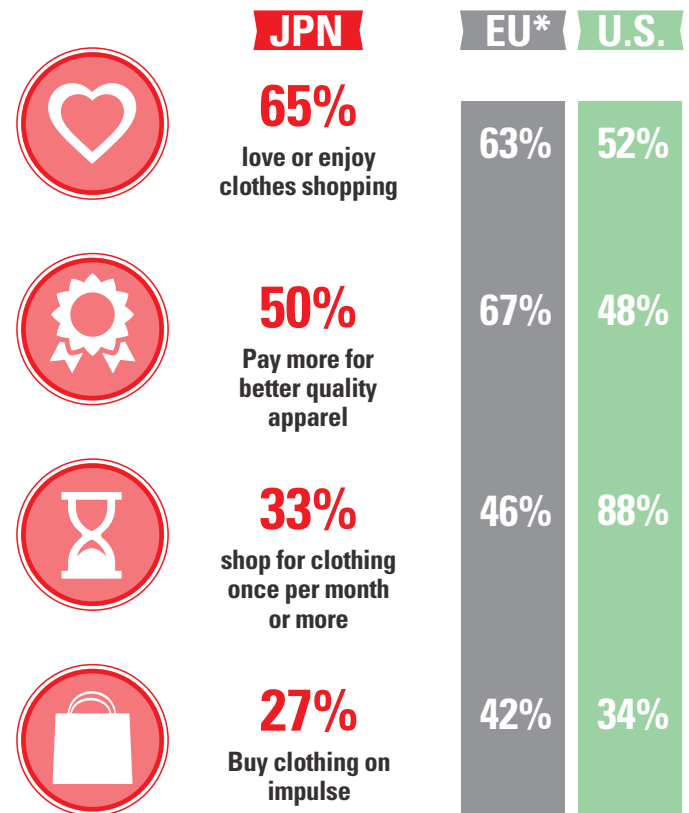
TOP SOURCES OF CLOTHING IDEAS



RETAIL CHANNELS SHOPPED MOST OFTEN

	JPN	EU*	U.S.
SPECIALTY STORES	24%	16%	10%
OFF-PRICE STORES	20%	8%	9%
ONLINE	20%	15%	7%
CHAIN STORES	11%	24%	23%
DEPARTMENT STORES	11%	11%	15%
OTHER	14%	26%	46%

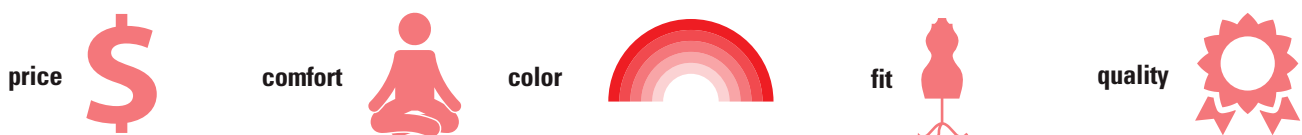
APPAREL SHOPPING HABITS



* INCLUDES FIGURES FOR U.K., GERMANY & ITALY

@ Nearly 2 in 3 consumers say e-commerce sites are their top online source of clothing inspiration.

TOP 5 CLOTHING PURCHASE DRIVERS



OMNICHANNEL SHOPPING

Online apparel and footwear spending in Japan is projected to grow by more than a third over the next fifteen years, offering brands one bright spot in an otherwise weak apparel market. E-commerce websites and apps dominate the Japanese online market. To realize potential gains from online spending, apparel brands need to tell their story through e-commerce platforms and apps, or create a separate digital experience for their customers to creatively tell brand and product stories across platforms and drive traffic to physical stores.

TOP CONCERNS WHEN SHOPPING FOR CLOTHES ONLINE



80%

shipping costs



76%

inability to touch clothes



73%

inability to try on clothes



72%

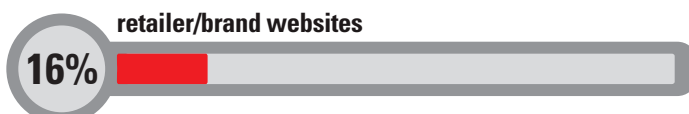
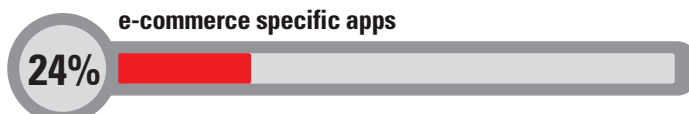
clothing quality



65%

no fiber info

WHERE CONSUMERS BEGIN THEIR ONLINE SHOPPING JOURNEY



FACTORS THAT COULD INFLUENCE ONLINE SHOPPING DECISIONS

67%

detailed size information

66%

detailed fit information

57%

material/fabric information

57%

up-close views

55%

customer reviews



Online apparel & footwear sales are projected to grow 37% from \$8.1bn in 2015 to \$11bn by 2020¹.

89% SHOP FOR CLOTHING ONLINE AND USE THE INTERNET TO...



research clothing



compare prices



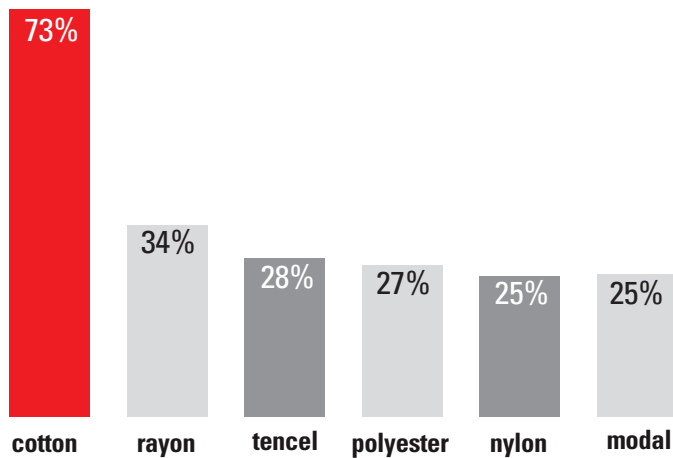
shop deals


GLOBAL LIFESTYLE MONITOR: JAPAN

SEEKING SUSTAINABLE APPAREL

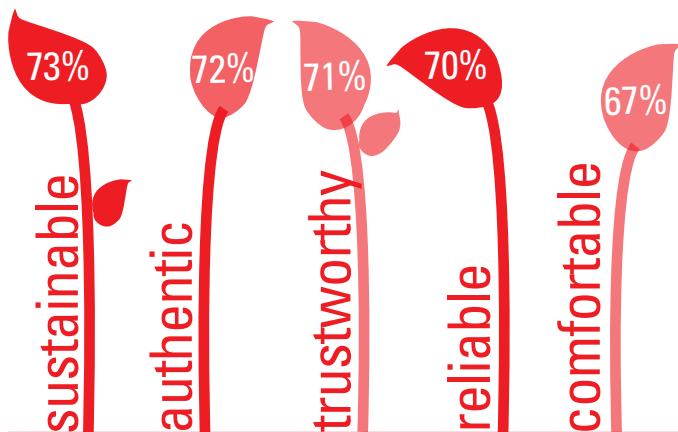
Even though most Japanese shoppers are not actively seeking sustainable apparel, they expect the industry to produce products in a responsible manner. Japanese consumers overwhelmingly view cotton as more sustainable than manmade fibers. Utilizing cotton offers apparel brands opportunities to tout the sustainable as well as the functional and emotional benefits that consumers are more likely to associate with cotton than with manmade fibers.

% SAYING THE FOLLOWING FIBERS ARE SAFE FOR THE ENVIRONMENT



 **75% of consumers prefer cotton-rich clothing.**

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



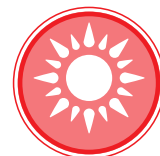
TOP SUSTAINABILITY/SOCIAL CONCERNS



**FOOD
SAFETY 66%**



**AIR
QUALITY 62%**



**GLOBAL
WARMING 60%**



**WATER
QUALITY 60%**

SUSTAINABILITY...

when it's lacking, I blame the industry.

70%

32%

is important in my apparel purchase.

21%

is something I seek out in my apparel.

TOP CONCERNS REGARDING COTTON PRODUCTION

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



COTTON SUSTAINABILITY FACTS

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. Cotton Incorporated's *Lifestyle Monitor*TM Survey, an ongoing consumer survey that interviews 6,000 U.S. consumers annually. External Source: Euromonitor International¹