Spotlight on Higher Income Consumers: Target a growing middle & upper class with quality clothing made of natural fibers and detailed product information as they shop for themselves and family members.

How They Shop: Optimize online and mobile platforms to meet consumer preferences for a digital shopping journey.

What They Shop: Focus on high quality offerings and performance-maximizing features for discerning Chinese shoppers.

China continues its rapid growth in the apparel market. Consumers spent $277 billion on clothing in 2017, a growth of 166% since 2008. This number is expected to grow further 193% by 2030, providing ample opportunity for brands and retailers to reach these tech-savvy consumers.
HOW THEY SHOP
Online and mobile shopping is tremendously popular in China. While just over half (52%) of the population regularly uses the internet (at least once per week)¹, 59% say they prefer to shop online. Traditional shopping remains important, as 57% of consumers enjoy the experience of physical stores and many gain inspiration from retail displays. Invest in digital platforms to deliver both online only and integrated in-store shopping experiences.

SHOPPING JOURNEY
Consumers who prefer shopping in-store (vs. online)

- Clothing research: 24% online, 32% in-store
- Pre-purchase questions: 45% online, 27% in-store
- Purchase: 45% online, 27% in-store
- Repeat purchase: 24% online, 32% in-store

RETAIL STORES SHOPPED FOR CLOTHING
- Online only: 70%
- Department: 65%
- Sporting goods: 46%
- Specialty: 45%
- Discount: 31%
- Chain: 27%

SHOPPING JOURNEY

59% Shop online at least once per month.

APPAREL SHOPPING HABITS
Buying Clothes on Impulse

- Traditional media: 37%
- Social media: 34%
- Reviews: 34%
- Store publications: 28%
- Other people: 73%
- Brand & retailer digital resources: 58%
- Window shopping: 42%
WHAT THEY SHOP

Chinese consumers are modest shoppers, owning 39% fewer garments than the average for consumers across the world. They focus on quality over quantity of clothing and will pay more for clothes that provide the comfort, fit, and fiber they seek. Consumers are interested in clothing that helps maximize their performance with features such as body temperature regulation and exercise strain monitoring.

TOP ITEMS OWNED

<table>
<thead>
<tr>
<th>Item</th>
<th>Average Number Owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>T-shirts</td>
<td>5</td>
</tr>
<tr>
<td>Underwear</td>
<td>5</td>
</tr>
<tr>
<td>Dresses</td>
<td>5</td>
</tr>
<tr>
<td>Jeans</td>
<td>4</td>
</tr>
</tbody>
</table>

COTTON AS PREFERRED FIBER

- BABYWEAR: 67%
- JEANS & PANTS: 63%
- HOME TEXTILES: 55%
- INTIMATES: 52%
- SHIRTS: 49%

PRIMARY PURCHASE DRIVERS

Consumers would like to know prior to purchase:
- Comfort: 82%
- Fit: 82%
- Quality: 80%
- Fiber: 73%

PAY MORE FOR BETTER QUALITY

- 2008: 86%
- 2010: 89%
- 2012: 88%
- 2014: 91%
- 2016: 92%
- 2018: 95%

76% prefer cotton or cotton blends for their most-worn clothing.

PERFORMANCE APPAREL

Likely to Purchase:
- 63% Regulate Body Temperature
- 58% Relieve Stress
- 55% Monitor Workout Performance
- 55% Monitor Body Strain
- 53% Monitor Heart Rate
China’s affluent classes are projected to grow from 9.7% of the population in 2015 up to one-third (34.2%) by 2030². These higher-income consumers are more demanding shoppers than their counterparts and are willing to pay more for quality clothing made from natural fibers. Reach these consumers with detailed product information and quality offerings made of natural fibers as they shop for both themselves and others.

Source: Cotton Council International and Cotton Incorporated’s Global Lifestyle Monitor Survey, a biennial consumer research study. In the 2018 survey approximately 10,000 consumers (i.e. 1,000 consumers in 10 countries) were surveyed. External Source: ¹Euromonitor International ²Economist Intelligence Unit