EXPLORING THE THREATS AND OPPORTUNITIES FOR COTTON IN THE CHINESE APPAREL MARKET

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Abstract

China is one of the fastest growing apparel markets in the world, representing an opportunity to increase end-use cotton consumption. However, there is limited research available on cotton's presence in Chinese consumers' apparel purchases. The purpose of this paper is to identify the opportunities and challenges for cotton in the rapidly growing Chinese apparel market. This paper will utilize Cotton Council International and Cotton Incorporated's proprietary Chinese consumer research to (1) establish cotton's presence in Chinese consumers' apparel purchases by product category, (2) investigate differences in cotton's presence in apparel purchases by demographic variables including gender, age, income, region, and city tier, and (3) highlight challenges and opportunities to increase cotton's presence in Chinese apparel consumption. Results from this paper will give the industry insight into what issues effect cotton apparel consumption in China.

Introduction

China is one of the fastest growing apparel markets in the world, representing an opportunity to increase end-use cotton consumption. According to data from Euromonitor International, real Chinese consumer expenditures on apparel grew 139% from 2000 to 2010 and are projected to grow 86% from 2010 to 2020 (Euromonitor International, 2011). Furthermore, China surpassed Japan in the past decade to become the second largest clothing market, accounting for nearly 10% of global clothing expenditures in 2010 (Euromonitor International, 2011). Unprecedented growth has led to a proliferation of research on the Chinese apparel market to better understand consumers' willingness to purchase foreign brands (Jin & Kang, 2010) (Dickson, Lennon, Montalto, Shen, & Zhang, 2004), online shopping habits (Liu & Wu, 2011) (Han, Wang, & Zhang, 2011), apparel purchase drivers (Gong, Wu, & Zhang, 2002), potential to buy luxury apparel (Gao, Norton, To, & Zhang, 2009) and consumption patterns (Sun & Wu, 2004) (Jin, Li, & Liu, 2004). However, no known large-scale research has been conducted to understand cotton's presence in Chinese consumers' apparel purchases. Given China's importance in the global apparel market, the cotton industry must insure that Chinese consumers are seeking and buying cotton.

To address this issue, consumer research has been conducted to examine cotton's presence in Chinese consumers' apparel purchases. Results indicate that a majority of Chinese consumers' apparel purchases contain cotton, but cotton's presence varies by product category and demographics. Opportunities exist to increase cotton's presence in outerwear and womenswear and for the industry to better understand and recognize the diverse needs of Chinese consumers in order to encourage them to purchase cotton apparel.

Chinese Consumer Survey Methodology

In the third quarter of 2009, Cotton Council International (CCI) and Cotton Incorporated began the Chinese Consumer Survey to better understand cotton's presence in Chinese consumers' apparel and home textile purchases. This research focuses on men's, women's, and children's apparel purchases unless otherwise noted. The survey interviews 1,100 Chinese consumers each quarter for an annual sample of 4,400. The sample is skewed heavier towards women, as research has shown that women in many countries around the world shop for clothing more often than men and are more likely to be the primary decision makers for household apparel purchases (Cotton Council International & Cotton Incorporated, 2010a) (Jin, Li, & Liu, 2004). Respondents are between the ages of 15 and 54 and must (1) have lived in their city or county for at least one year, (2) have purchased clothing in the past three months, and (3) be the primary decision makers for clothing purchases in their household. Interviews are conducted in over one-hundred cities each year, representing consumers in all four city tiers and regions. Final results are weighted to be representative of the urban Chinese clothing shopping population. The survey is fielded by N-Dynamic, a Chinese market research firm, through random door step, face-to-face interviews. Table 1, provided by N-Dynamic, shows the survey sample is relatively representative of the national Chinese population, with the exception of gender and income. As the survey was designed to be representative of the urban clothing shopping population in China, the sample skew towards women and higher income consumers is expected.

Table 1. Comparison of the Chinese Consumer Survey sample with national Chinese population

		Survey 2009	Survey 2010	Survey 2011	National Population
Gender	Male	39%	41%	48%	50%
	Female	61%	59%	59%	50%
Age	Average Age	35	34	34	35
Marital status	Single	26%	28%	27%	19%
	Married	70%	69%	71%	74%
	Separated or Divorced	2%	2%	1%	1%
	Widowed	1%	1%	1%	6%
	Refused	2%	1%	1%	-
Education level	Primary or less	4%	4%	3%	7%
	Junior High School	26%	26%	24%	31%
	Senior High School	31%	28%	27%	29%
	Technical School	10%	10%	11%	6%
	College	18%	20%	21%	18%
	University	10%	12%	13%	9%
	Master or above	1%	1%	1%	
Monthly income	Average Monthly Income (RMB)	4,224	4,702	5,015	3,500
City tiers	Tier 1 cities	18%	18%	18%	21%
	Tier 2 cities	27%	27%	27%	24%
	Tier 3 cities	27%	27%	27%	28%
	Tier 4 cities	27%	27%	27%	27%
Region	North	25%	25%	25%	27%
	East	25%	25%	25%	30%
	South	25%	25%	25%	27%
	West	25%	25%	25%	17%

Sources: CCI & Cotton Incorporated's Chinese Consumer Survey, National Bureau of Statistics of China & Waves 13 and 14 of N-Dynamic's National Surveys

Cotton's Presence in Chinese Consumers' Apparel Purchases

Research indicates that cotton is the most recognized, preferred, and purchased fiber among Chinese consumers. Nearly all Chinese consumers are aware of cotton (99%), making it the most recognized fiber. Eighty-one percent of Chinese consumers prefer their clothing to be made of cotton and cotton blends and a majority prefer specific clothing product categories like intimates, tops, bottoms, and athletic wear to be made of cotton and cotton blends (Figure 1). Furthermore, Chinese consumers describe cotton as "comfortable" (97%), "soft" (96%), "a good fiber overall" (95%), "natural" (91%), and "breathable" (91%). Finally, a majority of children's (82%), men's (71%), and women's (67%) clothing purchases in the first nine months of 2011 contained cotton. However, cotton's presence in Chinese consumers' clothing purchases varies by product category and demographics.

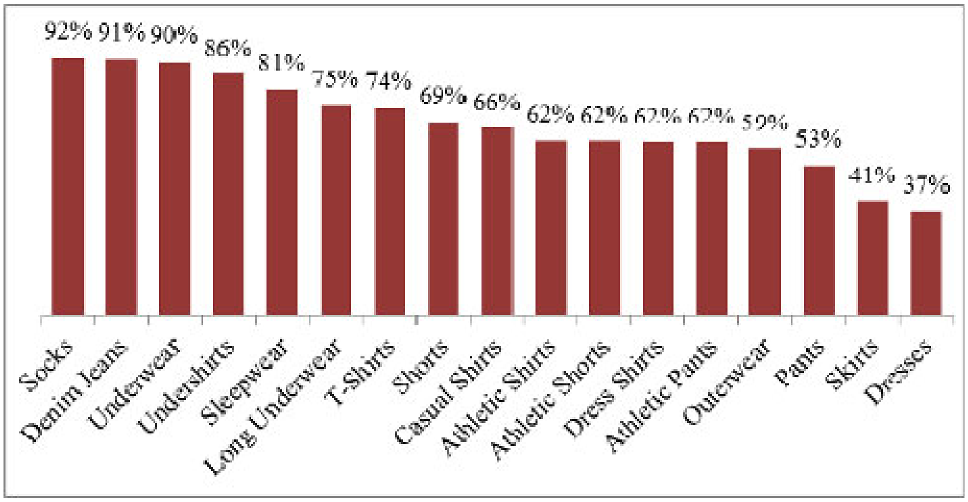

Figure 1. Percentage of Chinese consumers who prefer the following apparel products to be made of cotton and cotton blends

Cotton's Presence by Apparel Product Categories

In order to evaluate cotton's presence in specific apparel products, it is important to have a firm understanding of the apparel products Chinese consumers are purchasing. Data for children's apparel purchases have been removed from these analyses because the apparel product categories purchased for children do not align with the apparel product categories purchased for men and women. Therefore, results in this section refer to total men's and women's apparel purchases. The product allocation of Chinese consumers' apparel purchases is relatively consistent with the product allocation of U.S. consumers' apparel purchases (Cotton Incorporated, 2011). Basic items, such as intimates, socks, and tops, account for a majority of both Chinese and U.S. consumers' apparel purchases (Figures 2 and 3). However, outerwear accounts for a larger share of total apparel purchases in China than in the U.S. (12% versus 3%).

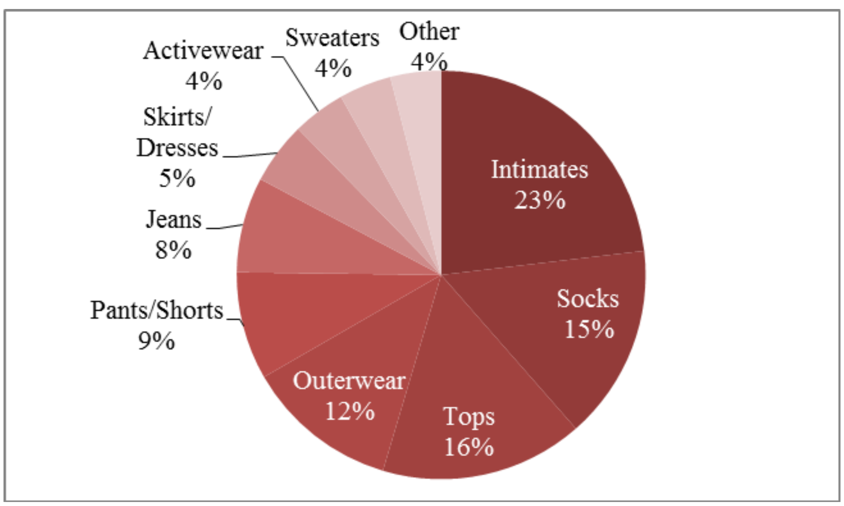

Figure 2. Product allocation of Chinese consumers' apparel purchases on a unit basis

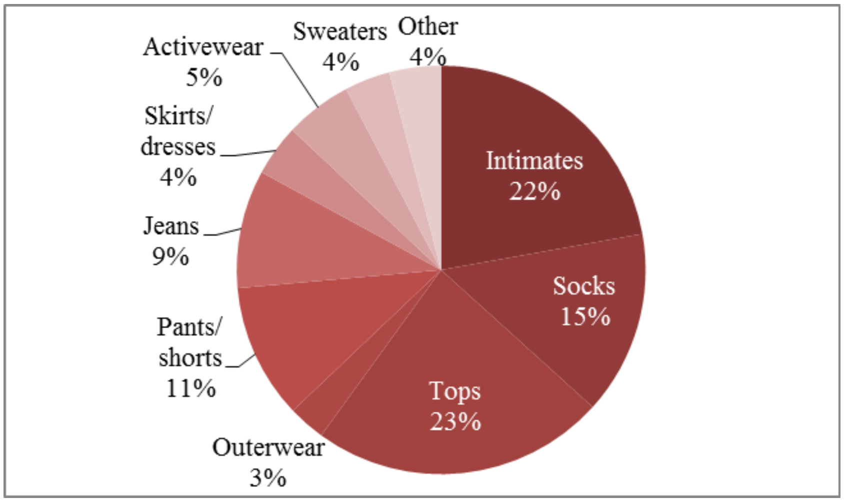

Figure 3. Product allocation of U.S. consumers' apparel purchases on a unit basis
(Cotton Incorporated's Lifestyle Monitor™ Survey)

Among total men's and women's apparel purchases in the first nine months of 2011, sixty-eight percent contained cotton, flat from the same time period in 2010. Figure 4 shows cotton's presence was highest in sock (91%), intimate (86%), casual top (80%), and dress shirt (74%) purchases and lowest in outerwear (60%), dress/skirt (59%), and sweater (42%) purchases. The higher than average cotton presence in sock, intimate, and top purchases bodes well for the industry since these apparel items accounted for a majority of Chinese consumers' total apparel purchases. However, cotton's presence in outerwear purchases, the fourth largest category of apparel purchased by Chinese consumers, was below average.

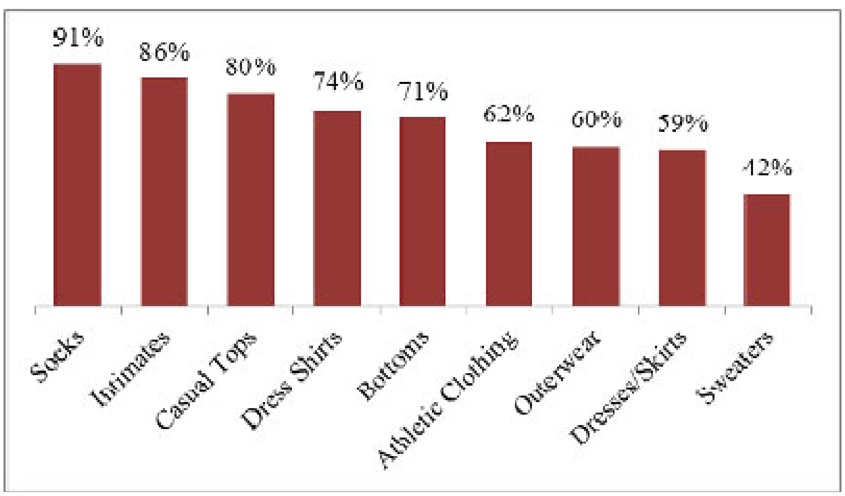

Figure 4. Percentage of men's and women's apparel purchases
that contained cotton by product category

Variations in Cotton Apparel Consumption by Demographics

Chinese consumers' apparel shopping habits vary by demographics, as do cotton apparel purchases. Variations in cotton apparel consumption by demographics are outlined below:

- As previously stated, while cotton is the dominant fiber in both men's and women's apparel purchases, women's purchases contained significantly less cotton than men's (67% versus 71%) in the first nine months of 2011. Figure 5 shows that from spring 2010 to summer 2011, cotton's presence in women's apparel purchases was significantly lower than in men's apparel purchases.
- Age is one demographic variable that does not have an impact on cotton apparel consumption in China. Research indicates that the percentage of apparel purchases that contained cotton has not differed significantly by age from winter 2010 to summer 2011 (Figure 6).

- On a regional basis, cotton apparel consumption was highest in the east (72%) and lowest in the south (63%) in the first nine months of 2011. Table 2 shows that total apparel, men's apparel, children's apparel, men's and women's top, and men's and women's outerwear purchases made by Chinese consumers in the south were significantly less likely to contain cotton than those made by consumers in the north, east, and west.
- Chinese cities are often classified into city tiers based on either (1) population and administrative district or (2) solely population. Table 3 explains how N-Dynamic classifies cities into city tiers based on population for this survey. In the first nine months of 2011, cotton apparel consumption was highest in tier 2 cities (72%) and lowest in tier 1 cities (65%). Table 4 shows that total apparel, women's apparel, men's and women's top, and women's skirt/dress purchases made by consumers living in tier 1 cities were significantly less likely to contain cotton than those made by consumers living in tier 2, tier 3, and tier 4 cities.
- In terms of monthly income groups, cotton apparel consumption was highest among lower income groups and lowest among the highest income group in the first nine months of 2011. Table 5 shows that total apparel, women's apparel, and men's and women's top purchases made by consumers making ¥6,000+ per month (the highest income group) were significantly less likely to contain cotton than apparel purchases made by lower income consumers.

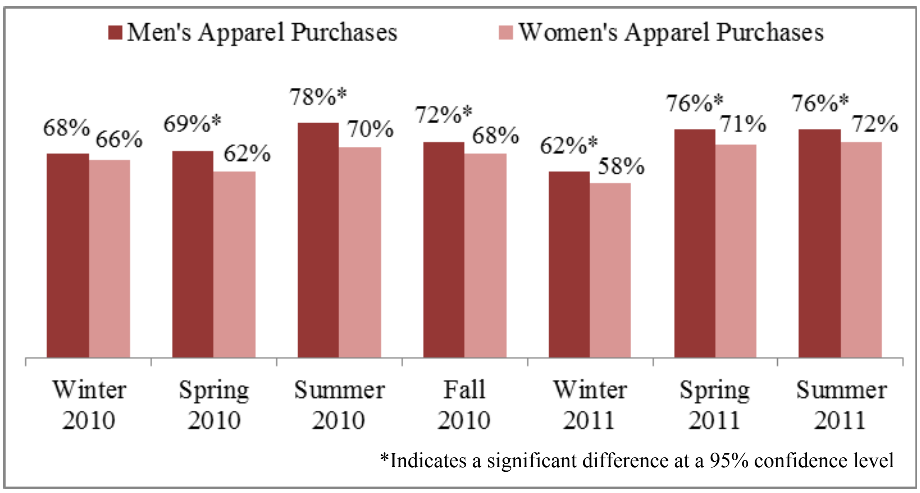

Figure 5. Percentage of men's and women's apparel purchases that contained cotton

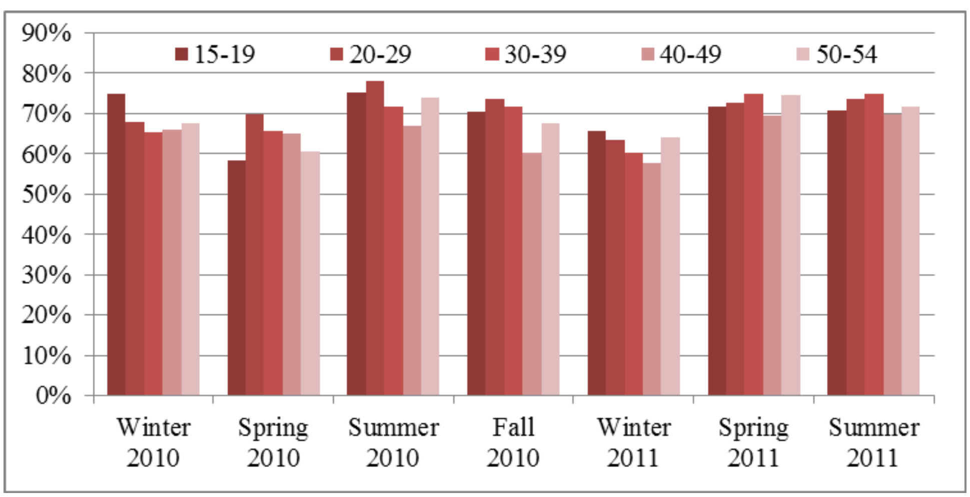

Figure 6. Percentage of total apparel purchases that contained cotton by age group

Table 2. Percentage of apparel purchases that contained cotton by region

	Regions			
	North (a)	East (b)	South (c)	West (d)
Total apparel purchases	69%[c]	72%[c]	63%	71%[c]
Children's apparel purchases	84%[c]	89%[c]	73%	89%[c]
Men's apparel purchases	73%[c]	75%[c]	62%	73%[c]
Women's apparel purchases	65%	72%[a,c]	62%	69%[c]
Men's & women's athletic apparel purchases	72%[c,d]	77%[c,d]	46%	57%
Men's & women's bottom purchases	71%	74%[c]	67%	72%
Men's & women's intimate purchases	81%	91%[a,c]	85%	89%
Men's & women's outerwear purchases	60%[c]	69%[a,c,d]	50%	60%[c]
Men's & women's sock purchases	95%[c]	91%	86%	87%
Men's & women's sweater purchases	36%	47%[a,c]	36%	51%[a,c]
Men's & women's top purchases	82%[c]	86%[c]	64%	83%[c]
Women's dress/skirt purchases	45%	69%[a,c]	49%	66%[a,c]

Significant differences are at a 95% confidence level

Table 3. N-Dynamic's city tier classifications

Tier	Definition
Tier 1	A city with a non-agricultural population over 2 million, which includes consumers living in cities such as Beijing, Jinan, and Shanghai.
Tier 2	A city with a non-agricultural population between 0.5 and 2 million, which includes consumers living in cities such as Nantong, Xiangtan, and Liuzhou.
Tier 3	A city with a non-agricultural population below 0.5 million, which includes consumers living in cities such as Weining, Fenyang, and Zhaodong.
Tier 4	A county, which includes consumers living in places such as Baoji, Zhanyi, and Zhaozhou.

Table 4. Percentage of apparel purchases that contained cotton by city tiers

	City Tiers			
	Tier 1 (a)	Tier 2 (b)	Tier 3 (c)	Tier 4 (d)
Total apparel purchases	65%	72%[a]	69%[a]	69%[a]
Children's apparel purchases	73%	81%	88%[a]	82%[a]
Men's apparel purchases	68%	77%[a,c,d]	72%	67%
Women's apparel purchases	62%	68%[a]	68%[a]	70%[a]
Men's & women's athletic apparel purchases	55%	73%[a]	63%	63%
Men's & women's bottom purchases	74%[d]	73%[d]	73%[d]	66%
Men's & women's intimate purchases	82%	91%[a,c]	85%	87%
Men's & women's outerwear purchases	60%	56%	64%[b]	60%
Men's & women's sock purchases	92%	91%	92%	87%
Men's & women's sweater purchases	39%	41%	43%	42%
Men's & women's top purchases	71%	86%[a,c,d]	80%[a]	79%[a]
Women's dress/skirt purchases	38%	61%[a]	67%[a]	65%[a]

Significant differences are at a 95% confidence level

Table 5. Percentage of apparel purchases that contained cotton by monthly income groups

	Monthly Income Groups (Chinese RMB)			
	<1,999 (a)	2,000-3,999 (b)	4,000-5,999 (c)	6,000+ (d)
Total apparel purchases	71%[d]	71%[d]	69%[d]	64%
Children's apparel purchases	*	87%[d]	81%	76%
Men's apparel purchases	72%	74%[d]	72%[d]	67%
Women's apparel purchases	72%[d]	69%[d]	68%[d]	63%
Men's & women's athletic apparel purchases	*	63%	65%	57%
Men's & women's bottom purchases	58%	76%[a,d]	70%[a]	69%
Men's & women's intimate purchases	89%	87%	88%	83%
Men's & women's outerwear purchases	56%	60%	60%	62%
Men's & women's sock purchases	92%	89%	90%	94%
Men's & women's sweater purchases	*	35%	47%[b]	40%
Men's & women's top purchases	82%[d]	81%[d]	82%[d]	72%
Women's dress/skirt purchases	*	66%[c,d]	58%	54%

*Sample size too small to report. Significant differences are at a 95% confidence level

Challenges and Opportunities for Cotton Apparel Consumption in China

While a majority of Chinese consumers' apparel purchases contain cotton, variations exist by product category and demographics. These variations highlight both challenges to cotton apparel consumption in China and opportunities to increase cotton apparel consumption in China.

Increasing Cotton's Presence in Outerwear

As previously stated, outerwear is the fourth largest category of apparel purchased by Chinese consumers, but cotton's presence in outerwear purchases is below average (60% versus 68%). Given the relative importance of outerwear in the Chinese apparel market, increasing cotton's presence in outerwear may have a positive impact on total cotton apparel consumption in China. There may be an opportunity to increase cotton's presence in the outerwear market through cotton performance features. While sixty percent of Chinese consumers say performance features are very or somewhat important to their clothing purchases, retail audits conducted in Shanghai found that non-cotton outerwear was significantly more likely to contain a performance feature than cotton outerwear (15% versus 9%) (Cotton Council International & Cotton Incorporated, 2010b). Combining cotton outerwear with the performance features consumers are seeking could have a positive impact on cotton's presence in Chinese consumers' outerwear purchases.

Increasing Cotton's Presence in Womenswear

While womeswear accounts for 43% of total apparel purchases made by Chinese consumers (Figure 7), cotton's presence in women's apparel purchases is significantly lower than in men's apparel purchases. Table 6 shows that Chinese women are significantly more likely than men to spend more on clothing, shop more frequently for clothing, and buy clothing for others in their household. The importance of womenswear and the influence women have over other apparel purchases warrants an effort to increase cotton's presence in the womenswear market.

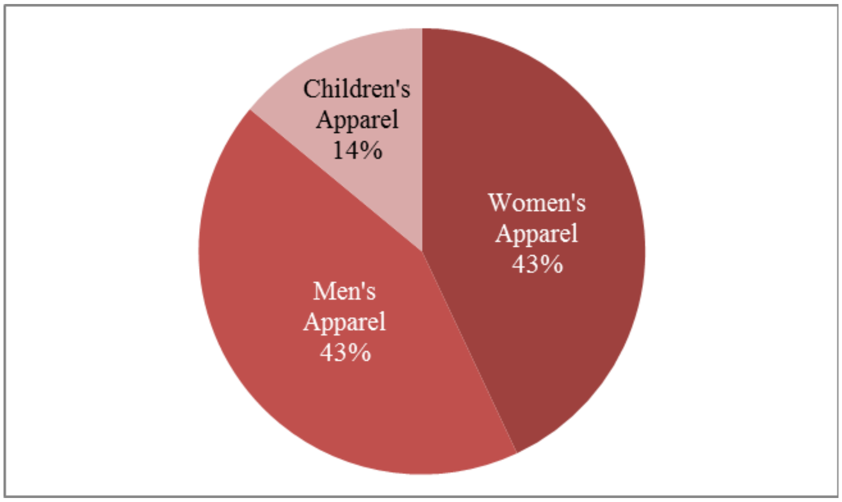

Figure 7. Allocation of Chinese consumers' total apparel purchases (unit basis)

In order to make cotton more competitive in the womenswear market, there needs to be an understanding of why women are purchasing less cotton apparel than men. Table 6 indicates that women are more likely than men to find factors like style, price, color, and washing instructions important to their clothing purchases. Other consumer research in China supports this finding (Cotton Council International & Cotton Incorporated, 2010a) (Gong, Wu, & Zhang, 2002). Even though fiber content is important to both men's and women's apparel purchases, women are also more concerned with other stylistic, cost, and end-use issues.

Another possible reason women's apparel purchases contain less cotton than men's may have to do with the fact that women are more critical of issues with cotton apparel. While women are just as likely as men to have positive associations towards cotton, they are significantly less likely than men to say cotton apparel is suitable for all types of weather, durable, good for business/officewear, quick-drying, and easy to wash (Table 6). Recent focus groups conducted in Xian, Shanghai, and Chengdu China support these results (Cotton Council International & Cotton Incorporated, 2011).

Increasing cotton's presence in womenswear is not just a challenge in China, but in the U.S. (Cotton Incorporated, 2011) and around the world (Cotton Council International & Cotton Incorporated, 2010a). In 2011, Cotton Incorporated began a womenswear initiative to increase cotton's presence in U.S. women's career apparel. Given the global challenge for cotton in womenswear, the innovations that stem from this initiative can be applied in the U.S., China, and around the world.

Table 6. Differences in Chinese consumers' apparel shopping habits by gender

	Men (a)	Women (b)
How often do Chinese consumers shop for their own clothing?		
Once a month or more often (net)	8%	17%[a]
Once a week or more frequently	0%	0%
Once every 2 - 3 weeks	1%	3%
Once a month	7%	14%[a]
Once every 2 - 3 months	45%	48%[a]
Once every 4 - 6 months	40%[b]	31%
Once a year	7%[b]	3%
Less often	1%	1%
How much do Chinese consumers spend on clothing for themselves in one year?		
Average spent (Chinese RMB)	1505	1767[a]
Do Chinese consumers purchase clothing for other people in their household?		
Yes	25%	69%[a]

No	75%[b]	31%
Percentage of Chinese consumers who say the following factors are very or somewhat important to their clothing purchase decisions		
Fit	84%	84%
Style	78%	81%[a]
Price	73%	77%[a]
Color	72%	76%[a]
Fiber	74%	76%
Finishing	74%	75%
Durability	68%	67%
Washing instructions	57%	60%[a]
Performance features	59%	60%
Brand	62%[b]	57%
Promotion	48%	48%
Environmentally friendly	47%	46%
Seal or certification	38%	35%
Country where made	29%	28%
Advertisements	29%	27%
Endorsement	27%[b]	23%
Percentage of Chinese consumers describing cotton in the following ways (Top-5 box responses on an 11-point scale)		
Comfortable	96%	97%
Soft	96%	97%
Overall, a good fiber	95%	95%
Breathes/cool	91%	91%
Natural	90%	91%
Fits well	90%	90%
Suitable for all types of weather	89%[b]	86%
Available in a variety of styles	89%	88%
Good for casual wear	85%	85%
Environmentally friendly	83%	82%
Branded	81%	80%
Reasonably priced	80%	80%
Durable	77%[b]	74%
Good for business/office wear	76%[b]	73%
Good for sports clothes	74%	73%
Wrinkles	69%	71%
Quick drying	66%[b]	63%
Stretchable	64%	66%
Not easy to wash	51%	54%[a]
Good for jeans	50%	49%
Harmful to skin	21%	22%

Significant differences are at a 95% confidence level

Understanding and Reaching Diverse Consumers Within China

As previously stated, cotton apparel consumption varies greatly by region, city tier, and income. Due to significant variations in apparel shopping habits by these demographics, influencing Chinese consumers to purchase cotton apparel requires multiple strategies to reach the diverse consumers within China. Having a firm understanding of Chinese consumers' attitudes, preferences, interests, and needs is essential to reaching them. The rest of this section will expose how southern, tier 1, and high income consumers are different from their counterparts and how they could be encouraged by the industry to purchase cotton apparel.

Southern Chinese consumers are more apathetic apparel shoppers than other consumers, which may be why cotton's presence in their apparel purchases is significantly lower compared to their regional counterparts. Table 7 shows

Southern consumers are significantly less likely to say factors like brand name, country of origin, endorsements, promotions, seals/certifications, advertisements, and environmental friendliness are very or somewhat important to their clothing purchases. In addition, southern consumers are significantly less likely to say their apparel purchases are influenced by advertisements or promotions. While southern consumers may be difficult to reach with product features or promotions, they are significantly more likely to get their trend ideas from television and celebrities. Encouraging southern consumers to purchase cotton apparel may be most effective through television shows and celebrity advertisements.

Table 7. Differences in Chinese consumers apparel shopping habits by region

	Regions			
	North (a)	East (b)	South (c)	West (d)
Percentage of Chinese consumers who say the following factors are very or somewhat important to their clothing purchase decisions				
Fit	87%[c,d]	87%[c,d]	81%	80%
Style	82%[c,d]	84%[c,d]	75%	75%
Color	81%[b,c,d]	77%[c,d]	70%	67%
Finishing	80%[c,d]	83%[c,d]	66%	66%
Fiber content	79%[c,d]	82%[c,d]	68%	68%
Price	78%[c]	78%[c]	71%	74%
Performance features	72%[b,c,d]	59%[c,d]	53%	53%
Durability	71%[b,c,d]	67%	65%	65%
Washing instructions	67%[b,c,d]	62%[c,d]	50%	54%
Brand name	63%[c,d]	69%[a,c,d]	44%	57%[c]
Environmentally friendly	63%[b,c,d]	48%[c,d]	33%	38%[c]
Promotion	60%[b,c,d]	53%[c,d]	33%	44%[c]
Seal or certification	46%[b,c,d]	39%[c,d]	25%	34%[c]
Advertisements	33%[c,d]	32%[c,d]	19%	27%[c]
Country where made	31%[c]	31%[c]	21%	31%[c]
Endorsement	25%[c]	33%[a,c,d]	17%	25%[c]
Percentage of Chinese consumers who say the following promotions are very or somewhat influential to their clothing purchase decisions				
In-store sales or promotions	67%[b,c,d]	60%[c,d]	41%	52%[c]
Posters and signs in stores	59%[b,c,d]	51%[c,d]	30%	37%[c]
TV advertisements	48%[c,d]	47%[c,d]	33%	39%[c]
Billboards	45%[b,c,d]	33%[c,d]	13%	28%[c]
Coupons	43%[c,d]	47%[a,c,d]	21%	33%[c]
Activities	33%[c,d]	34%[c,d]	20%	27%[c]
Newspaper advertisements	31%[c,d]	38%[a,c,d]	21%	26%[c]
Internet advertisements	29%[c,d]	35%[a,c,d]	23%	23%
Magazine advertisements	26%[c]	30%[a,c,d]	19%	22%
Mail or email promotions	24%[c]	28%[a,c,d]	15%	22%[c]
Where do Chinese consumers get their trend ideas from?				
Friends and colleagues	71%[c,d]	68%[c,d]	59%	60%
Store displays/window shopping	47%[b,c,d]	30%	29%	31%
Family members	46%	45%	43%	51%[a,b,c]
Television	40%	54%[a,d]	61%[a,b,d]	49%[a]
Salespeople in stores	31%[b,c]	27%	25%	37%[a,b,c]
People you see on the street	26%[b,d]	19%[d]	26%[b,d]	13%
Websites/Internet	19%	34%[a,c,d]	22%	22%
Magazines	14%	33%[a,c,d]	26%[a]	21%[a]
Celebrities	13%	15%[d]	20%[a,b,d]	10%
Store fliers/mailbox inserts	10%	14%[a,c]	10%	14%
What you already own and like	7%	11%[a,d]	11%[a,d]	6%

Catalogs	3%	5%	2%	5%

Significant differences are at a 95% confidence level

Tier 1 Chinese consumers are more scrutinizing apparel shoppers than their counterparts, which as with women, may be why cotton's presence in their apparel purchases is significantly lower. Table 8 shows that tier 1 consumers are significantly more likely to say factors like color, price, finishing, and promotions are very or somewhat important to their clothing purchases. Although Tier 1 consumers are just as likely as their counterparts find fiber content important to their apparel purchases, they are more likely to be concerned with other stylistic and cost issues. Still, there are several ways the industry could reach these consumers with the cotton message. Table 8 also shows that tier 1 consumers are significantly more likely than their counterparts to say they get their trend ideas from people on the street and store displays or window shopping. Working with select retailers, the industry could encourage Tier 1 consumers to purchase more cotton apparel with attractive store displays highlighting fashionable and cost-appropriate cotton apparel.

Table 8. Differences in Chinese consumers' apparel shopping habits by city tiers

	City Tiers			
	Tier 1 (a)	**Tier 2 (b)**	**Tier 3 (c)**	**Tier 4 (d)**
Percentage of Chinese consumers who say the following factors are very or somewhat important to their clothing purchase decisions				
Fit	89%^{b,d}	85%^{d}	86%^{d}	79%
Style	85%^{b,d}	80%^{d}	82%	73%^{d}
Color	82%^{b,c,d}	72%^{d}	77%^{b,d}	68%
Price	81%^{b,c,d}	77%^{c}	70%	74%^{c}
Finishing	81%^{b,c,d}	76%^{d}	77%^{d}	66%
Fiber content	79%^{b,d}	75%^{d}	78%^{d}	68%
Durability	65%	69%^{a}	67%	69%^{a}
Washing instructions	63%^{b,d}	58%^{d}	63%^{b,d}	53%
Brand name	63%^{d}	60%^{d}	66%^{b,d}	48%
Performance features	60%	59%	63%^{b,d}	57%
Promotion	56%^{b,c,d}	49%^{d}	51%^{d}	39%
Environmentally friendly	54%^{b,d}	47%^{d}	51%^{b,d}	35%
Seal or certification	42%^{b,d}	35%^{d}	42%^{b,d}	27%
Advertisements	27%^{d}	28%^{d}	36%^{a,b,d}	20%
Country where made	27%	31%^{a,d}	31%^{a,d}	25%
Endorsement	22%	27%^{a,d}	31%^{a,b,d}	20%
Percentage of Chinese consumers who say the following promotions are very or somewhat influential to their clothing purchase decisions				
In-store sales or promotions	64%^{b,d}	51%^{d}	62%^{b,d}	47%
Posters and signs in stores	54%^{b,d}	43%^{d}	52%^{b,d}	34%
TV advertisements	46%^{b,d}	40%	47%^{b,d}	37%
Coupons	43%^{b,d}	35%^{d}	41%^{b,d}	30%
Newspaper advertisements	40%^{b,c,d}	26%^{d}	32%^{b,d}	22%
Internet advertisements	35%^{b,d}	24%	33%^{b,d}	22%
Magazine advertisements	34%^{b,c,d}	21%^{d}	29%^{b,d}	17%
Billboards	31%^{d}	28%^{d}	37%^{a,b,d}	24%
Activities	25%	30%^{a,d}	35%^{a,b,d}	24%
Mail or email promotions	24%^{b,d}	20%	26%^{b,d}	19%
Where do Chinese consumers get their trend ideas from?				
Friends and colleagues	70%^{b,d}	63%	68%^{b,d}	60%
Family members	52%^{b,c}	46%^{c}	37%	50%^{b,c}
Television	50%^{b}	40%	54%^{a,b}	59%^{a,b,c}
Store displays/window shopping	44%^{b,c,d}	34%^{d}	35%^{d}	27%
People you see on the street	31%^{b,c,d}	16%	21%^{b}	20%^{b}

Websites/Internet	28%[b,d]	19%	28%[b,d]	23%[b]
Magazines	28%[b,d]	17%	29%[b,d]	22%[b]
Salespeople in stores	26%	27%	30%[a]	32%[a,b]
Celebrities	16%[b]	11%	17%[b]	16%[b]
Store fliers/mailbox inserts	11%	11%	15%[a,b,d]	10%
What you already own and like	9%[c]	15%[a,c,d]	5%	9%[c]
Catalogs	4%	2%	5%	3%

Significant differences are at a 95% confidence level

As expected, high income Chinese consumers are higher-end shoppers that are looking for the latest trends, which may be why cotton's presence in their apparel purchases is significantly lower compared to lower income consumers. Table 9 shows that high income Chinese consumers spend significantly more on clothing, are more likely to get trend ideas from media sources such as magazines, celebrities, and the internet, and are more likely to say advertisements and promotions are influential to their clothing purchases. High income consumers may be sacrificing the fiber content they prefer in order to follow the latest trends. High income consumers are more likely than lower income consumers to say internet, TV, magazine, and newspaper advertisements are influential to their clothing purchases, which may be a way for the industry to encourage them to purchase more cotton apparel.

Table 9. Differences in Chinese consumers' apparel shopping habits by monthly income groups

	Monthly Income Ranges (RMB)			
	<1,999 (a)	**2,000-3,999 (b)**	**4,000-5,999 (c)**	**6,000+ (d)**
How much do Chinese consumers spend on clothing for themselves in one year?				
Average spent (RMB)	867	1,231[a]	1,644[a,b]	2,447[a,b,c]
Percentage of Chinese consumers who say the following factors are very or somewhat important to their clothing purchase decisions				
Fit	81%	84%	86%	84%
Price	76%	74%	76%	76%
Style	75%	77%	84%[a,b,d]	80%
Durability	70%	70%[c,d]	65%	65%
Fiber content	69%	72%	79%[a,b]	77%[a,b]
Color	68%	74%[a]	75%[a]	78%[a,b]
Performance features	65%[b]	59%	60%	60%
Finishing	64%	70%[a]	79%[a,b]	78%[a,b]
Washing instructions	49%	57%[a]	62%[a,b]	61%[a,b]
Environmentally friendly	38%	42%	49%[a,b]	52%[a,b]
Promotion	35%	44%[a]	52%	53%
Brand name	34%	54%[a]	64%[a,b]	67%[a,b]
Seal or certification	26%	32%[a]	36%[a,b]	45%[a,b,c]
Country where made	17%	29%[a]	28%[a]	31%[a]
Advertisements	17%	24%[a]	29%[a,b]	35%[a,b,c]
Endorsement	17%	23%[a]	25%[a]	30%[a,b,c]
Percentage of Chinese consumers who say the following promotions are very or somewhat influential to their clothing purchase decisions				
In-store sales or promotions	44%	54%[a]	57%[a]	59%[a,b]
Posters and signs in stores	30%	38%[a]	50%[a,b]	52%[a,b]
TV advertisements	28%	37%[a]	43%[a,b]	52%[a,b,c]
Billboards	25%	26%	30%[b]	37%[a,b,c]
Coupons	24%	35%[a]	38%[a]	43%[a,b,c]
Activities	22%	29%[a]	27%	33%[a,b,c]
Mail or email promotions	15%	21%[a]	18%	32%[a,b,c]
Magazine advertisements	12%	18%[a]	27%[a,b]	35%[a,b,c]
Newspaper advertisements	11%	22%[a]	33%[a,b]	41%[a,b,c]
Internet advertisements	10%	21%[a]	29%[a,b]	42%[a,b,c]

Where do Chinese consumers get their trend ideas from?				
Friends and colleagues	56%	63%[a]	71%[a,b,d]	64%[a]
Television	45%	50%	52%[a]	54%[a,b]
Store displays/window shopping	37%[b]	30%	39%[b,d]	33%
Family members	36%	48%[a,c]	43%[a]	50%[a,c]
Salespeople in stores	30%[d]	35%[c,d]	29%[d]	21%
People you see on the street	18%	17%	25%[a,b]	25%[a,b]
Celebrities	16%[b]	10%	14%[b]	22%[a,b,c]
Websites/Internet	13%	20%[a]	25%[a,b]	33%[a,b,c]
Store fliers/mailbox inserts	9%	13%	12%	12%
What you already own and like	9%	8%	9%	11%
Magazines	8%	17%[a]	26%[a,b]	36%[a,b,c]
Catalogs	2%	4%	3%	4%

Significant differences are at a 95% confidence level

Conclusion

Cotton is present in the majority of Chinese consumers' apparel purchases. While variations in cotton apparel consumption by product category and demographics exist, they provide challenges and opportunities to further cotton apparel consumption in China. As the Chinese economy continues to grow, the apparel and textile industry will face stiff competition from other product and need categories. From 2010 to 2020, Euromonitor International projects that consumer expenditures on clothing (+86%) will grow at a slower rate than consumer expenditures on education (+216%), healthcare (+204%), transportation (+199%), housing (+162%), and entertainment (+132%) (Euromonitor International, 2011). In order to keep Chinese consumers purchasing apparel beyond their basic needs, the industry must continue to offer consumers innovative cotton apparel items and identify markets to increase cotton's presence.

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