GLOBAL DEMAND FOR COTTON: EVIDENCE FROM MAJOR CONSUMER MARKETS

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Abstract

What are the prospects for growth in demand for cotton worldwide? Can the success of cotton in the U.S. consumer market be replicated in other large consumer markets? This paper presents the findings of a recent global study of consumers' attitudes in an attempt to investigate the prospects for growth in cotton usage among apparel consumers in foreign markets.

Introduction

Among the world's largest consumer markets, the success of cotton at retail in the United States is without parallel. Climbing from a low point of 35% of the retail market in 1974, cotton now accounts for more than 60% of the total weight of all fibers purchased by consumers in the U.S. retail apparel and home fabrics market.[2] The resurgence of cotton at retail is the result of effective product development by manufacturers and of strong consumer promotion by organizations such as Cotton Incorporated. The advent of synthetic fibers in the early 1950s posed a considerable challenge to cotton in the U.S. market, and synthetic fibers continue to pose a strong challenge to the growth of cotton consumption in consumer markets around the world.

Discussion

Cotton at Retail in the United States

Cotton's share of the market peaked at a high of 63% in 1961 and began a downward trend with the growth of polyester and other synthetic fibers. This decline led to the Cotton Research and Promotion Act of 1966. In 1970, Cotton Incorporated was created to carry out the objectives of that act. The loss of market share continued until the mid 1970s, when cotton began to reestablish itself in the market. The share of cotton sold at retail has steadily increased since 1975. In 1998, it reached 60%, meaning that cotton has regained almost all the market share it lost (Figure 1).

In 1998, cotton's share was 75.8% of the men's apparel market, 48.1% of the women's apparel market, and 63.1% of the children's apparel market.[3] Data for the first ten months of 1999 indicate that cotton's shares in these three markets have surpassed the levels for the first ten months of 1998. The 1999 year-end market shares are expected to meet and possibly exceed the 1998 shares (Table 1).

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In developed countries, consumer demand determines what types of products are sold at retail. In contrast, consumer markets in less developed countries are often driven by what producers choose to supply, not necessarily in response to consumers' tastes and preferences. Cotton Incorporated stimulates consumer demand through advertising and promotion of the Cotton Seal. Cotton Incorporated's television commercials deliver 2.8 billion consumer impressions annually in the U.S., and the Seal of Cotton is currently used on more than 1,000 products in the U.S., Mexico, and Canada. For over a decade, more than seven out of ten U.S. consumers have recognized the Cotton Seal, making it one of the best-known trademarks in the U.S. (Figure 2).

Consumer Research about Cotton

Throughout its existence, Cotton Incorporated has recognized the impact of consumer preferences on the retail demand for cotton products. The company conducted several market research studies throughout the 1970s and 1980s and, in 1994, initiated *Cotton Incorporated's Lifestyle Monitor*™.[4] The *Lifestyle Monitor* is a comprehensive survey research program that evaluates U.S. consumers' attitudes toward apparel, shopping, and fibers. With more than 25,000 interviews in the survey database, Cotton Incorporated has the ability to analyze consumers' attitudes on a wide range of factors with very low levels of sampling error.

During May and June of 1999, Cotton Council International and Cotton Incorporated extended the *Lifestyle Monitor* research into ten foreign consumer markets. The research project, referred to as the *Global Monitor*, offered a tremendous opportunity to evaluate consumers' attitudes in the foreign markets and to compare the findings with results from the *Lifestyle Monitor* research in the United States. The *Global Monitor* research was conducted in Brazil, Colombia, France, Germany, the United Kingdom, Italy, Hong Kong, Japan, the Republic of Korea, and Taiwan.

Methodology for Cotton Incorporated's Lifestyle Monitor™ and the Global Monitor

The *Lifestyle Monitor* is a continuous telephone study conducted among a nationally representative sample of U.S. consumers who buy their own clothes. The sample is 60% female and 40% male; quotas are established for age and income categories. Consumers aged 16 to 70 are interviewed by Bellomy Research.

The methodology for the Global Monitor was a hybrid approach, using both telephone and in-person interviews. Interviews in Brazil, Colombia, Japan and Korea were conducted in person, while interviews in other markets were conducted via telephone. A random sample of 500 consumers who purchase their own clothes was selected in each of the 10 countries. The sample was 60% female and

40% male; quotas were established for age categories (15 to 55 years) and working status to structure a sample that was representative of the major demographic variables in each of the ten countries. To represent the aging population in Japan and the European countries, 50 interviews per country were added for consumers aged 56 to 60, to boost the sample sizes for these age groups. The total number of interviews conducted was 5,250. The research was conducted by Roper Starch Worldwide.

Results from the Global Monitor and Lifestyle Monitor

1. **Attitudes Toward Fiber**. Since 1994, *Lifestyle Monitor* findings have indicated that more than half (57%) of consumers in the U.S. either "always" or "usually" (rather than "sometimes" or "never") check the fabric content label before purchasing an apparel item. As shown in Figure 3, consumers in only three countries (Italy, Japan, and Germany) check apparel labels for fiber content at a higher rate than U.S. consumers, while consumers in Hong Kong and the U.K. are the least likely to check labels. The cultural differences in checking fabric labels are not due to a lack of government regulation. According to Federal Trade Commission Attorney Constance Vecellio, all of the countries in this study have been requiring the use of fabric content labels in apparel since the early 1970s**.**

   Regardless of country of origin, consumers' concern with fabric content labels increases with age. Figure 4 shows responses by age categories for consumers who either always or never check the fabric content label before purchasing a garment.

   While the majority of consumers in the U.S., Brazil, Colombia, and Italy agree that "better quality garments are made from all natural fibers," consumers in the Asian countries and the U.K. are the least likely to share that opinion (Figure 5). This finding suggests that it may be difficult to position cotton apparel as better in quality than apparel made from competing fibers in these markets. Italy is the only country where the majority of consumers agree with the statement, "It's important that my clothes are made from natural fibers such as cotton and wool" (Figure 6). (However, this question was not asked in the U.S.) Generally, apparel made from natural fibers is more expensive than clothes made from synthetic fibers, possibly affecting consumer sentiment.

   To better understand the images consumers have of cotton and polyester, respondents were asked to associate a predetermined list of attributes with one of the following choices: cotton, polyester, both fibers, or neither fiber. The majority of respondents associate the attributes with either cotton or polyester, as evidenced by the results shown in Tables 2 to 2c. In all the countries, significantly more consumers view cotton, rather than polyester, as traditional, comfortable, soft, and a quality fabric. In most countries, more consumers also view cotton as warm, sporty, youthful, and stylish. However, in each of the Asian countries, significantly more consumers state that polyester, rather than cotton, is stylish.

   Consumer attitudes regarding cotton/polyester blends were also examined. Consumers were asked whether clothes made of cotton/polyester blends were "better than," "not as good as," or "the same as" clothes made from 100% cotton. In most countries, significantly more consumers state that cotton/polyester blends are "not as good as" 100% cotton. However, even though consumers in Colombia, the U.K., and Korea favor 100% cotton apparel over cotton/polyester blends, the differences are not statistically significant. Table 3 displays the results.

   Fifty-four percent of global consumers indicate that they avoid certain fibers when purchasing apparel. Of the consumers who avoid selected fibers, almost two-thirds (64%) avoid man-made fibers. In the U.S., Brazil, Colombia, and Korea, more than 40% of consumers indicate they avoid natural fibers. Of the 63% of U.S. consumers who say they avoid natural fibers, 51% avoid wool and rayon. Only 4% of U.S. consumers and 3% of Latin Americans say they avoid cotton (Table 4). One reason that Latin American consumers avoid natural fibers such as wool and silk is that they are not as comfortable as cotton in warmer climates. Although a high percentage of Koreans indicate they avoid natural fibers, and 6% avoid cotton, Koreans also have one of the highest levels of avoidance of synthetic fibers.

   In all countries except Japan and Korea, the majority of consumers say they would pay more for clothes made from natural fibers, such as cotton, than for clothes made from synthetic fibers, such as polyester. Figure 7 illustrates the findings. Coupled with consumer attitudes about cotton, these findings show a strong global preference for cotton apparel.

   By consumer sentiment the fiber best suited for today's clothing fashions is cotton. Significantly more consumers indicate that natural fibers, specifically cotton, are suitable for current styles, rather than man-made fibers (Table 5).

2. **Attitudes Toward Cotton Products**. Cotton's success in the U.S. has been due to the ability of particular products to meet consumer expectations. Denim and wrinkle-resistant apparel are two product categories that have met consumer needs and led the growth in U.S. sales

of cotton apparel. Globally, consumer attitudes are positive toward both of these categories.

Denim. Denim accounts for one-fourth of all cotton apparel purchased at retail in the U.S. Sales of denim bottoms have increased an average of 6.6% over the past eight years, outpacing the 5.4% gain in sales of all cotton apparel.[5] Since 1994, three-fourths of consumers interviewed in the U.S. have said they either love or enjoy wearing denim. A tendency to like wearing denim is almost universal, as the majority of consumers in most countries surveyed agree. Outside the U.S., Latin Americans are the most likely to say they love denim, whereas the Taiwanese and Italians are the least likely. Figure 8 show the results for this question.

Ownership of denim apparel exceeds eight items per person in all the countries surveyed. Consumers were asked whether they owned denim jeans, shirts, jackets, skirts, shorts, or dresses, or, in the U.S., overalls. Ownership of denim apparel is closely correlated with the love of wearing denim. Latin American and U.S. consumers have the most denim apparel in their wardrobes, while the French and Japanese have the least (as shown in Figure 9). Denim satisfies consumers' needs to be comfortable and fashionable. Denim has become a wardrobe staple in closets around the world.

Unfortunately, knowledge that denim is made of cotton is not universal. Consumers in the U.S. and the European countries are most likely to know that denim is made of cotton. However, 67% of Taiwanese, 40% of Hong Kongers, and 38% of Colombians say they do not know what fiber denim is made from. In the Latin American and Asian countries, a substantial minority of consumers think that denim is itself a fiber (Table 6). This situation poses a challenge for promoting cotton as a fashionable fiber in these countries.

Wrinkle-Resistant Apparel. Innovations in wrinkle-resistant finishes and the popularity of casual days in the workplace have increased retail sales for 100% cotton slacks in the U.S. In 1998, sales of 100% cotton wrinkle-resistant slacks were up 6% over 1997, and for the first ten months of 1999, sales have increased 12% over the same period in 1998 (Figure 10).[6] Globally, consumers indicate that they do not like to wear wrinkled garments, which supports the need for wrinkle-resistant finishes on cotton apparel (Figure 11). When asked to choose between wrinkle-resistant pants made of a 50/50 cotton/synthetic blend or 100% cotton, the majority of consumers in all countries except Korea prefer the 100% cotton pants (Table 7). This indicates a strong market for cotton in the global demand for wrinkle-resistant slacks.

3. **Shopping Behavior**. Except in the U.S. and Hong Kong, the majority of consumers either love or enjoy shopping for apparel (Table 8). Most consumers have one outlet in which they prefer to buy most of their clothes; however, in certain countries, two outlets are listed by about an equal percentage of consumers. Hong Kongers, Germans, Americans, and the French prefer to buy most of their apparel at specialty chains, while Italians, Brazilians, Taiwanese, and the French favor small independent stores. Colombians, Koreans, Taiwanese, and Americans prefer department stores, while Japanese and Britons tend to shop for clothes at chain stores. The only consumers to name street markets as their favorite outlet are Koreans.

   Globally, 79% of consumers indicate that they "cross-shop" for apparel. Cross-shopping is defined as shopping different outlets for the best price, value, and fashion. Only 1% of global consumers indicate they have browsed the Internet for apparel, confirming that this new medium is not yet a threat to traditional apparel retailers.

   Consumers from eight of the countries surveyed identify store displays as their primary source for clothing ideas (Table 9). The exceptions are Brazil, Germany, and the U.S. More consumers in these countries say they get their apparel ideas from what they already own.

   In general consumers do not consider television, magazines, or celebrities to be their primary sources of apparel ideas. These influences are strongest among younger consumers, aged 15 to 24. Globally, younger consumers are more homogeneous in their attitudes toward shopping than are older consumers. The cultural differences among countries are more evident in older age groups.

Summary

Prospects for Global Growth in Cotton Consumption

The prospect for growth in cotton apparel both domestically and internationally is promising. The findings from the *Lifestyle Monitor* and *Global Lifestyle Monitor* research indicate that consumers prefer cotton and cotton blends in apparel. In the Asian region, there is cause for concern about demand for apparel manufactured from less expensive man-made fibers. However, Asians, along with other consumers, recognize the benefits of apparel made from all natural fibers, and most state they are willing to pay more for those items. Regardless of their country of origin, most consumers believe that cotton is best suited for today's fashions.

The importance of building consumer demand for cotton items in international markets can not be overemphasized. Promotional programs and national advertising campaigns targeted at consumers were instrumental in ensuring growth in cotton's market share at retail in the U.S. Although attitudes are favorable for cotton items in many of the major markets, that is not enough to stimulate demand. Promotional programs similar to those used in the U.S. must be implemented globally to ensure that consumer demand for cotton products continues to grow.

References

1. Kimberley S. Kitchings serves as Associate Director of Consumer and Market Research. Mark A. Messura is the Senior Director for Corporate Planning and Program Development.
2. Based on data from The NPD Group. Market share does not include fibers used in for carpet or fibers used in the institutional clothing market.
3. Based on data from The NPD Group.
4. *Cotton Incorporated's Lifestyle Monitor*™ is a proprietary study managed by Cotton Incorporated. The survey is based on a random national sample of consumers aged 16 to 70 and is conducted by telephone. Telephone interviews and data tabulation are conducted by Bellomy Research, of Winston-Salem, North Carolina.
5. Based on data from The NPD Group. Denim bottom sales include denim jeans, slacks, shorts, dresses, and skirts.
6. Based on data from The NPD Group.

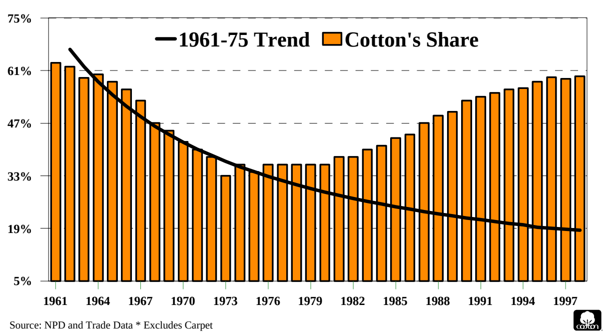

Figure 1. Cotton's Share of the U.S. Retail Market for Apparel and Home Fabrics*.

Table1. 1989/99 Cotton Share By Category Fabric Weight Basis.

Percent	1998	10 Mos. 1998	10 Mos. 1999
Total Apparel & Home Fabrics*	**59.5**	**60.5**	**61.3**
Men's	**75.8**	**77.0**	**77.1**
Women's	**48.1**	**49.4**	**50.2**
Children's	**63.1**	**65.4**	**66.9**

*Excludes carpet; Source: The NPD Group

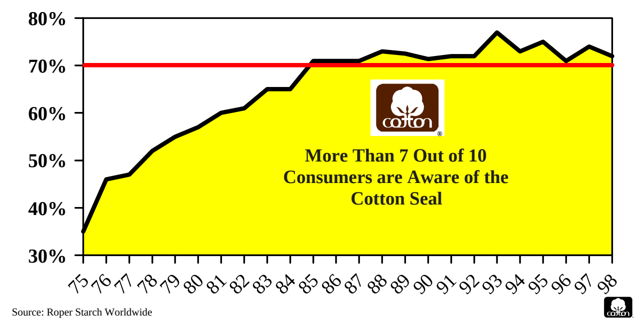

Figure 2. Cotton Seal Awareness, 1998.

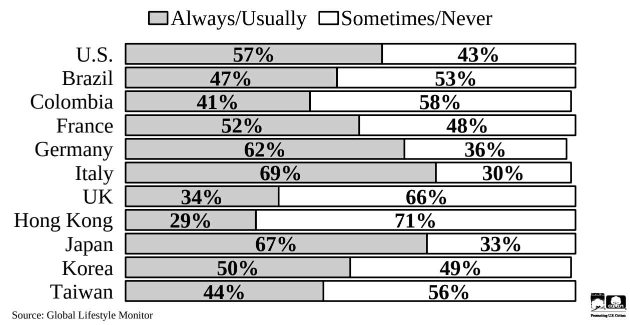

Figure 3. How Often Do Consumers Look at the Fabric Content Labels in a Garment Before Purchasing.

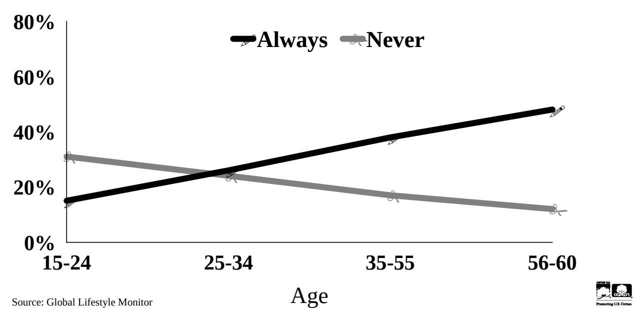

Figure 4. Age is a Determining Factor in Checking the Fabric Content Labels Before Buying Apparel.

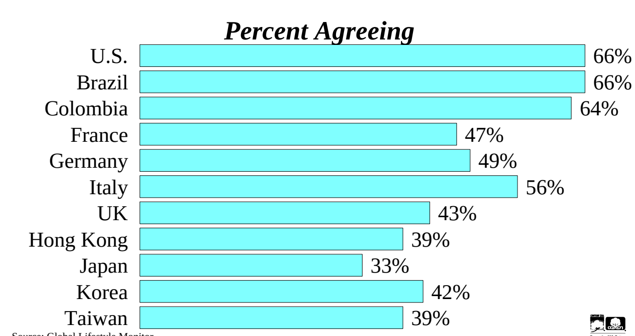

Figure 5. Better Quality Garments are Made from All Natural Fibers.

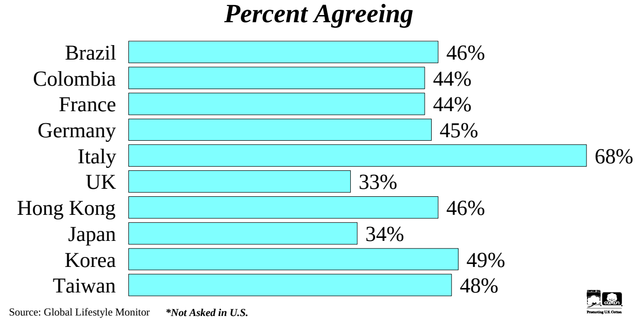

Figure 6. It's Important that my Clothes are Made from Natural Fibers Such as Cotton and Wool.

Table 2. Percent of Consumers Agreeing that Selected Attributes Describe 100% Cotton Items.

Percent	Traditional	Comfortable	Soft	Quality Fabric	Warm
Brazil	65	67	72	47	58
Colombia	74	73	80	51	36
France	76	65	69	65	54
Germany	74	55	62	59	65
Italy	78	68	67	79	37
UK	69	43	47	60	40
Hong Kong	59	72	69	58	68
Japan	66	71	44	55	43
Korea	83	75	69	67	70
Taiwan	58	80	79	60	80

Source: Global Lifestyle Monitor *Not Asked in U.S.

Table 2a. Percent of Consumers Agreeing that Selected Attributes Describe 100% Cotton Items.

Percent	Wrinkles	Sporty	Youthful	Stylish	Scratchy
Brazil	55	48	43	28	18
Colombia	46	62	46	39	6
France	39	49	26	23	15
Germany	50	40	26	24	28
Italy	56	50	43	37	33
UK	59	27	25	32	13
Hong Kong	46	45	19	11	9
Japan	78	42	32	11	6
Korea	61	46	50	29	30
Taiwan	43	68	30	22	8

Source: Global Lifestyle Monitor *Not Asked in U.S.

Table 2b. Percent of Consumers Agreeing that Selected Attributes Describe 100% Polyester Items.

Percent	Traditional	Comfortable	Soft	Quality Fabric	Warm
Brazil	13	9	13	15	23
Colombia	6	3	5	6	38
France	5	6	10	4	21
Germany	6	8	12	8	13
Italy	5	7	11	3	37
UK	6	9	13	4	18
Hong Kong	5	3	6	4	7
Japan	5	3	28	6	27
Korea	9	14	22	13	16
Taiwan	12	3	6	6	3

Source: Global Lifestyle Monitor *Not Asked in U.S.

Table 2c. Percent of Consumers Agreeing that Selected Attributes Describe 100% Polyester Items.

Percent	Wrinkles	Sporty	Youthful	Stylish	Scratchy
Brazil	22	27	20	33	23
Colombia	27	16	11	13	46
France	27	23	25	23	35
Germany	27	22	26	21	32
Italy	13	19	18	17	31
UK	11	28	12	6	43
Hong Kong	19	20	26	29	58
Japan	8	23	19	27	61
Korea	33	38	28	45	56
Taiwan	31	12	27	29	61

Source: Global Lifestyle Monitor *Not Asked in U.S.

Table 3. Consumers' Feelings about Cotton/Polyester Blend Apparel Compared with 100% Cotton.

Percent	Blends Are Not As Good	Blends Are Better	Same/DK
U.S.	43	32	25
Brazil	52	38	8
Colombia	31	28	19
France	39	32	12
Germany	46	34	7
Italy	48	24	21
UK	30	26	27
Hong Kong	57	28	7
Japan	46	34	15
Korea	41	40	13
Taiwan	51	23	16

Source: Global Lifestyle Monitor

Table 4. Percent of Consumers Who Avoid Fibers when Purchasing Apparel.

	Avoid Natural Fibers	**Avoid Synthetic Fibers**	**Avoid Cotton**
U.S.	**63%**	**43%**	**4%**
Brazil	**42%**	**56%**	**3%**
Colombia	**45%**	**53%**	**3%**
France	**35%**	**58%**	**1%**
Germany	**17%**	**73%**	**2%**
Italy	**8%**	**91%**	*
UK	**38%**	**60%**	**3%**
Hong Kong	**23%**	**59%**	**6%**
Japan	**22%**	**67%**	*
Korea	**44%**	**74%**	**6%**
Taiwan	**25%**	**47%**	**4%**

Source: Global Lifestyle Monitor

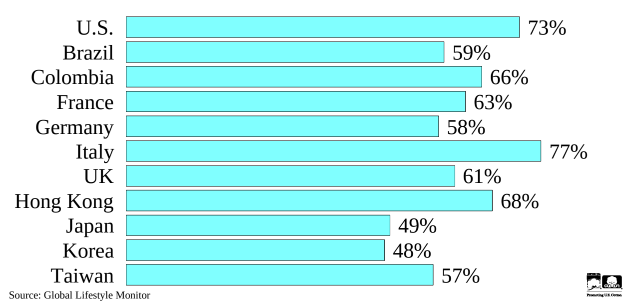

Figure 7. Percent of Consumers Who are Willing to Pay More for Apparel Made from Natural Fibers Rather than Synthetic Fibers.

Table 5. Percent of Consumers Stating the Fiber that is Best Suited for Today's Fashions.

	Natural Fiber	Cotton	Denim	Synthetic Fiber
U.S.	**82%**	**68%**	**5%**	**18%**
Brazil	**78%**	**43%**	**18%**	**7%**
Colombia	**64%**	**54%**	**3%**	**8%**
France	**37%**	**23%**	**2%**	**23%**
Germany	**56%**	**37%**	**2%**	**9%**
Italy	**60%**	**44%**	**2%**	**13%**
UK	**49%**	**36%**	**4%**	**13%**
Hong Kong	**52%**	**43%**	**1%**	**9%**
Japan	**61%**	**45%**	**5%**	**9%**
Korea	**53%**	**34%**	**5%**	**14%**
Taiwan	**27%**	**24%**	**0%**	**8%**

Source: Global Lifestyle Monitor

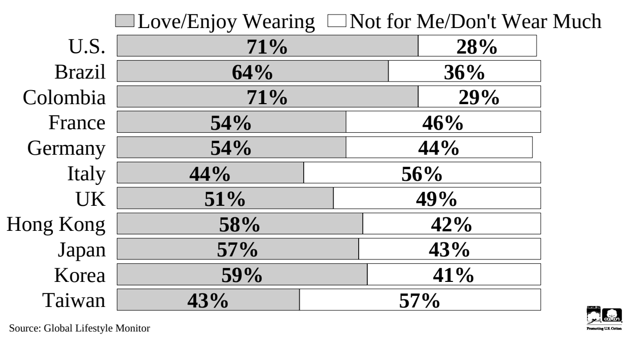

Figure 8. Consumers' Preference for Denim Apparel.

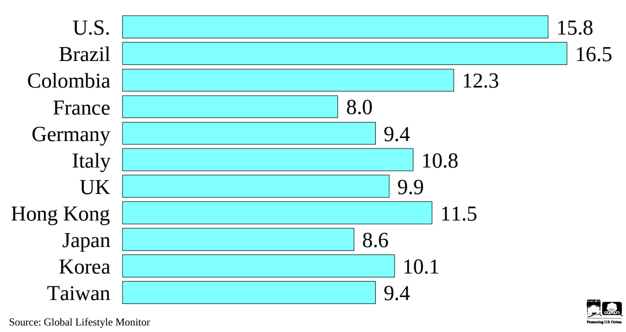

Figure 9. Average Number of Denim Items in Wardrobe.

Table 6. What Consumers Think Denim is Made Of.

Percent	Cotton	Denim	Don't Know
U.S.	64	5	30
Brazil	51	15	28
Colombia	37	22	38
France	61	5	31
Germany	71	9	18
Italy	73	5	19
UK	64	14	20
Hong Kong	39	10	40
Japan	57	20	17
Korea	52	27	13
Taiwan	21	8	67

Source: Global Lifestyle Monitor

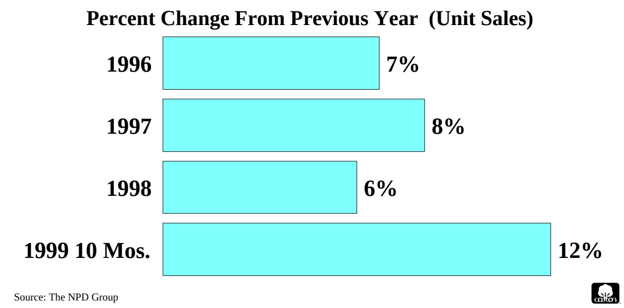

Figure 10. U.S. Men's Slacks Market 100% Cotton Wrinkle Resistant.

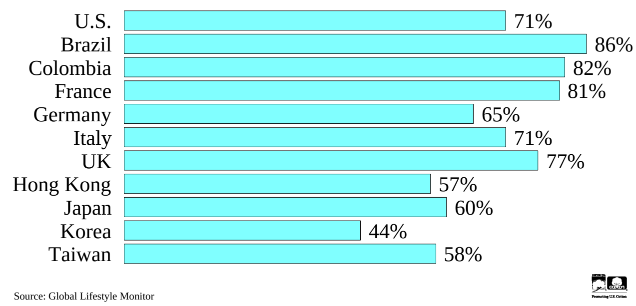

Figure 11. Percent of Consumers that Agree "I Don't Like Wearing Anything that is Wrinkled."

Table 7. Percent of Consumers that Prefer 100% Cotton Wrinkle Resistant Pants to a Cotton/Polyester (50/50) Blend.

	100% Cotton	50/50 Blend
U.S.	**60%**	**35%**
Brazil	**66%**	**34%**
Colombia	**67%**	**33%**
France	**75%**	**22%**
Germany	**68%**	**31%**
Italy	**70%**	**30%**
UK	**69%**	**31%**
Hong Kong	**66%**	**34%**
Japan	**55%**	**45%**
Korea	**44%**	**56%**
Taiwan	**61%**	**39%**

Source: Global Lifestyle Monitor

Table 8. Feelings About Clothes Shopping

	Like/Love	Neither	Dislike/Hate
U.S.	**46%**	**16%**	**38%**
Brazil	**80%**	**16%**	**4%**
Colombia	**76%**	**20%**	**4%**
France	**75%**	**12%**	**14%**
Germany	**73%**	**16%**	**10%**
Italy	**76%**	**16%**	**8%**
UK	**61%**	**24%**	**15%**
Hong Kong	**32%**	**56%**	**12%**
Japan	**69%**	**24%**	**7%**
Korea	**50%**	**39%**	**11%**
Taiwan	**69%**	**25%**	**6%**

Source: Global Lifestyle Monitor

Table 9. External Influences on Apparel Purchases.

Percent of Consumers	Store Displays	Already Own	Magazines	TV	Catalogs
U.S.	43	56	25	25	30
Brazil	62	70	35	37	9
Colombia	61	16	28	22	9
France	71	59	37	21	42
Germany	38	47	39	26	27
Italy	59	27	21	11	5
UK	51	40	40	25	32
Hong Kong	72	55	63	39	15
Japan	51	40	44	19	24
Korea	72	29	31	32	9
Taiwan	85	45	51	38	18

Source: Global Lifestyle Monitor