



# Navigate the Market: Economic, Consumer, & Retail Insights



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Type your questions in the Q&A window at any time during the webinar.



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# Webinar Support



**COVID-19  
EFFECTS**



**ONLINE SHOPPING  
SURGE**



**SUSTAINABILITY  
MOVEMENT**





# COVID-19 EFFECTS

# COVID-19 GLOBAL IMPACT

Economic impacts will be substantial

*What level of impact will COVID-19 pandemic have on the global economy?*



**3.0% contraction projected**

Source: IMF and World Economic forum

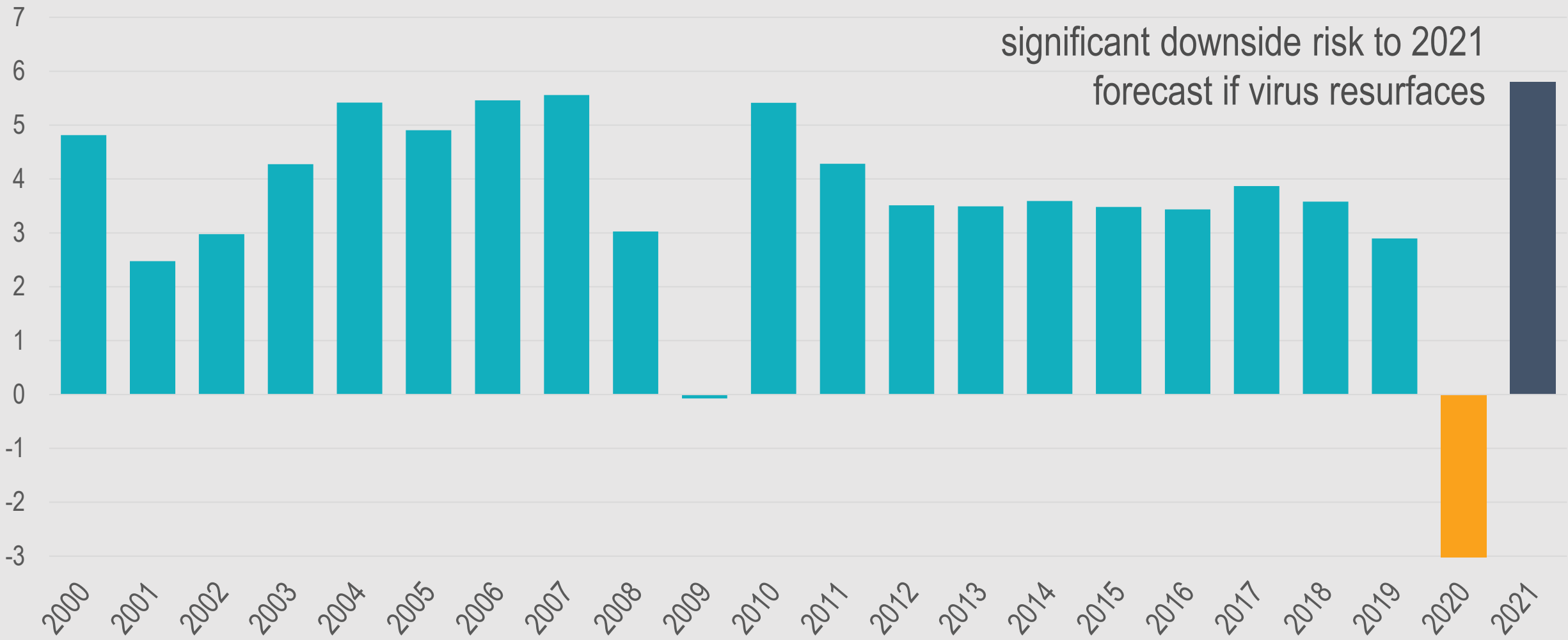


*“Never in the history of the IMF have we witnessed the world economy coming to a standstill,” said Kristalina Georgieva, of the International Monetary Fund (IMF). “It is way worse than the global financial crisis.”*



# COVID-19 & GLOBAL GDP FORECASTS

percent change in global GDP, constant prices



significant downside risk to 2021  
forecast if virus resurfaces



# COVID-19 ECONOMIC EFFECTS

## Consumers delaying purchases

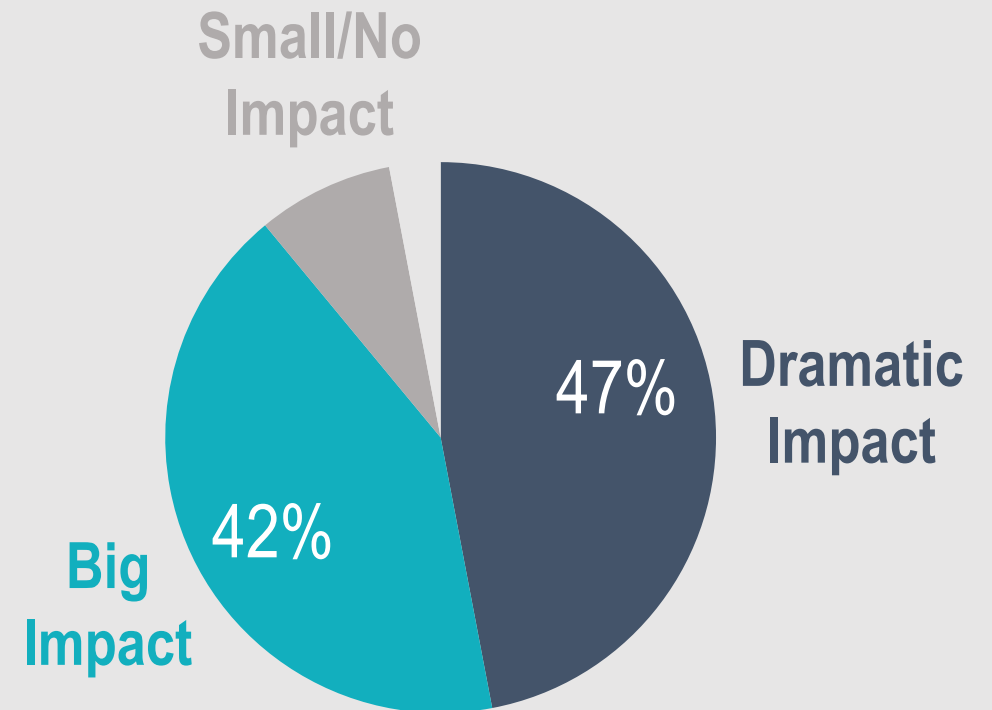
**% of consumers delaying purchases:**

**Global** 70%

**China** 84%

**U.S.** 54%

***What level of impact to expect the COVID-19 pandemic to have on the global economy?***





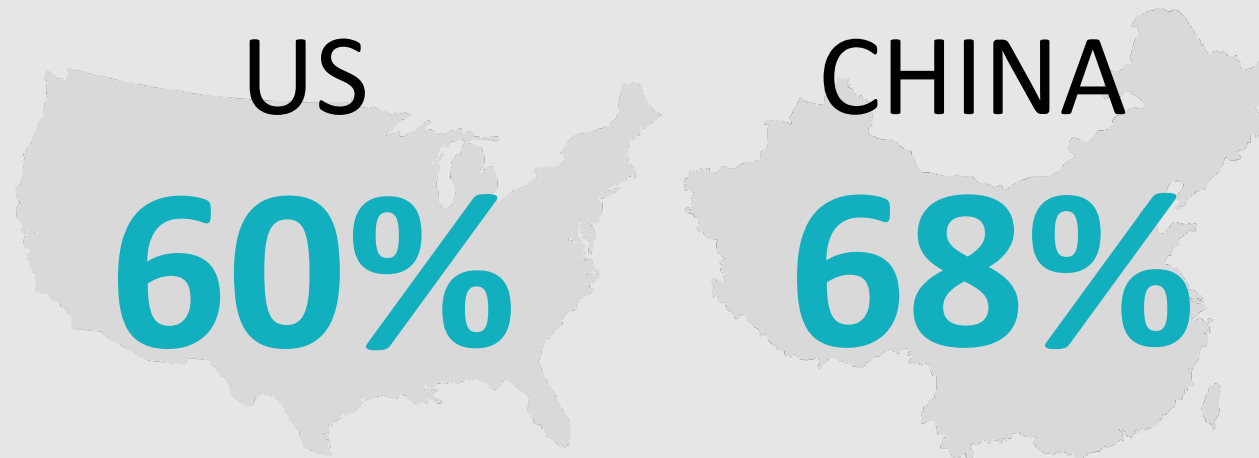
# U.S. CONSUMER SPENDING

## Largest drop on record



# COVID-19 CONSUMER EFFECTS

U.S. consumers are not very optimistic



**COVID-19 will have little to no impact on my household finances**

---

% who plan to buy delayed purchase once outbreak is over in their country





# COVID-19 CONSUMER EFFECTS: U.S.

Consumer concern is very high



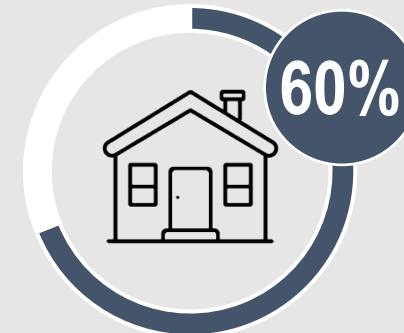
**Consumers are staying home**

*Late April survey finds consumers staying home*

Percent of Americans still under lockdown orders



Feel very afraid these days

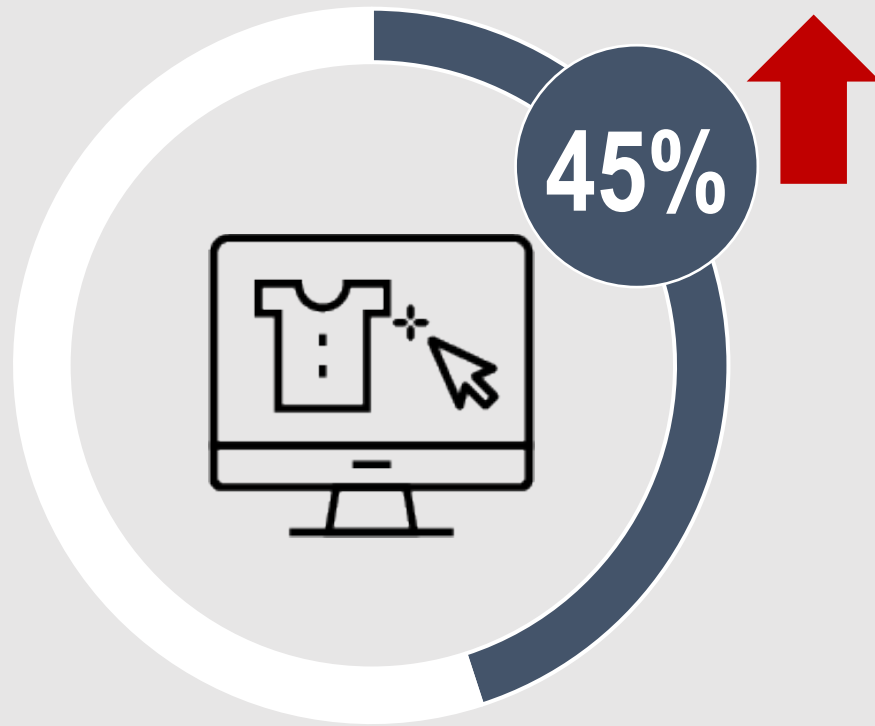


Source: Cotton Incorporated's 2020 Coronavirus Response Consumer Survey, Wave 2 April 27-30 and WSJ



# SHOPPING ONLINE: U.S.

Consumers look online for shopping needs



Shopping online **MORE** than  
before the pandemic

## ***Reasons consumers shop online MORE:***

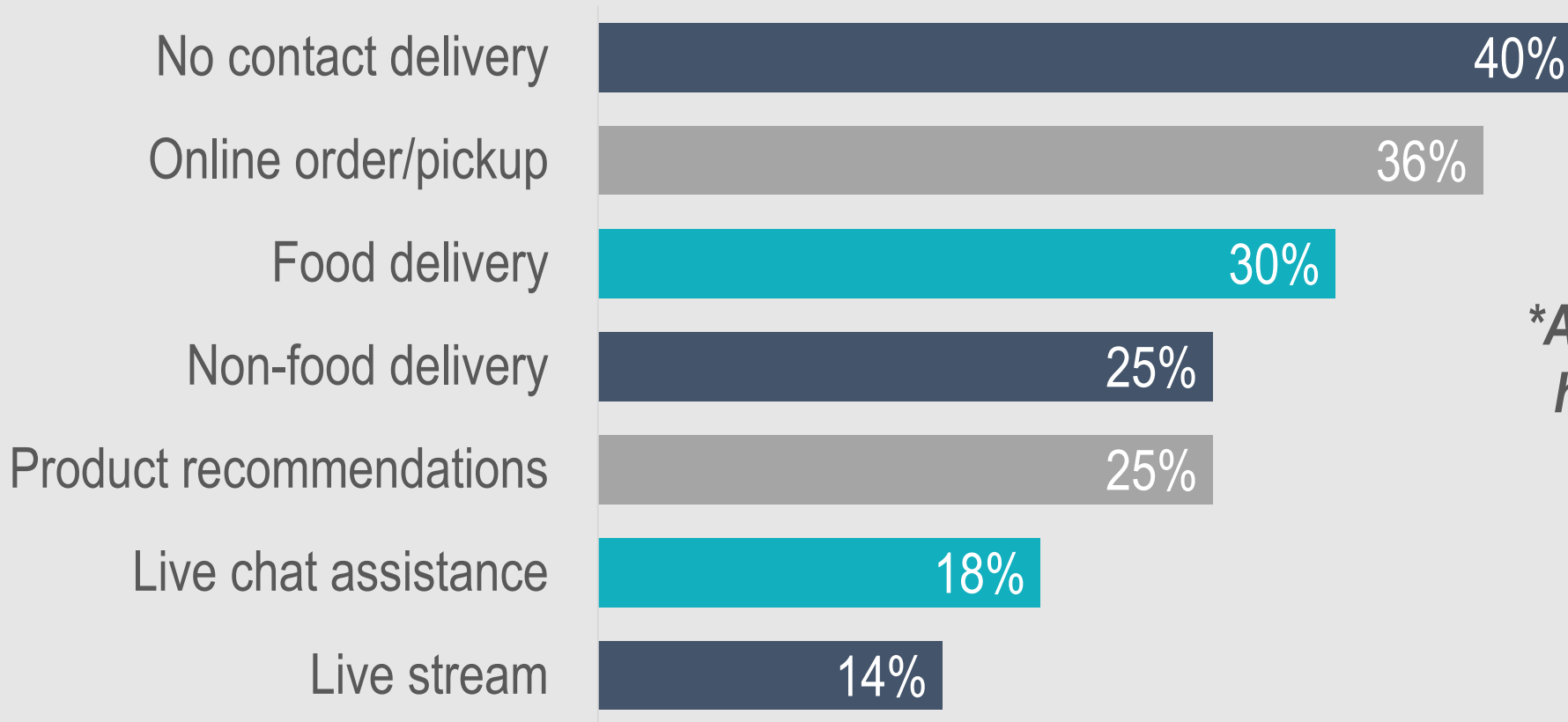




# TRYING NEW TECHNOLOGIES: U.S.

Consumers take the opportunity to try new tools

***Percentage of consumers who have tried the following technologies since the start of the pandemic\*:***



***\*Among those who have never used the technology***

# CONSUMER SPENDING: U.S.

U.S. consumers are spending more for household essentials

**30%**

Spending more  
money than  
before COVID-19  
started



*Percent of consumers spending more on the following:*

**Groceries**

**56%**

**Household items**

**51%**

**Online streaming services**

**31%**

**Food delivery services**

**27%**

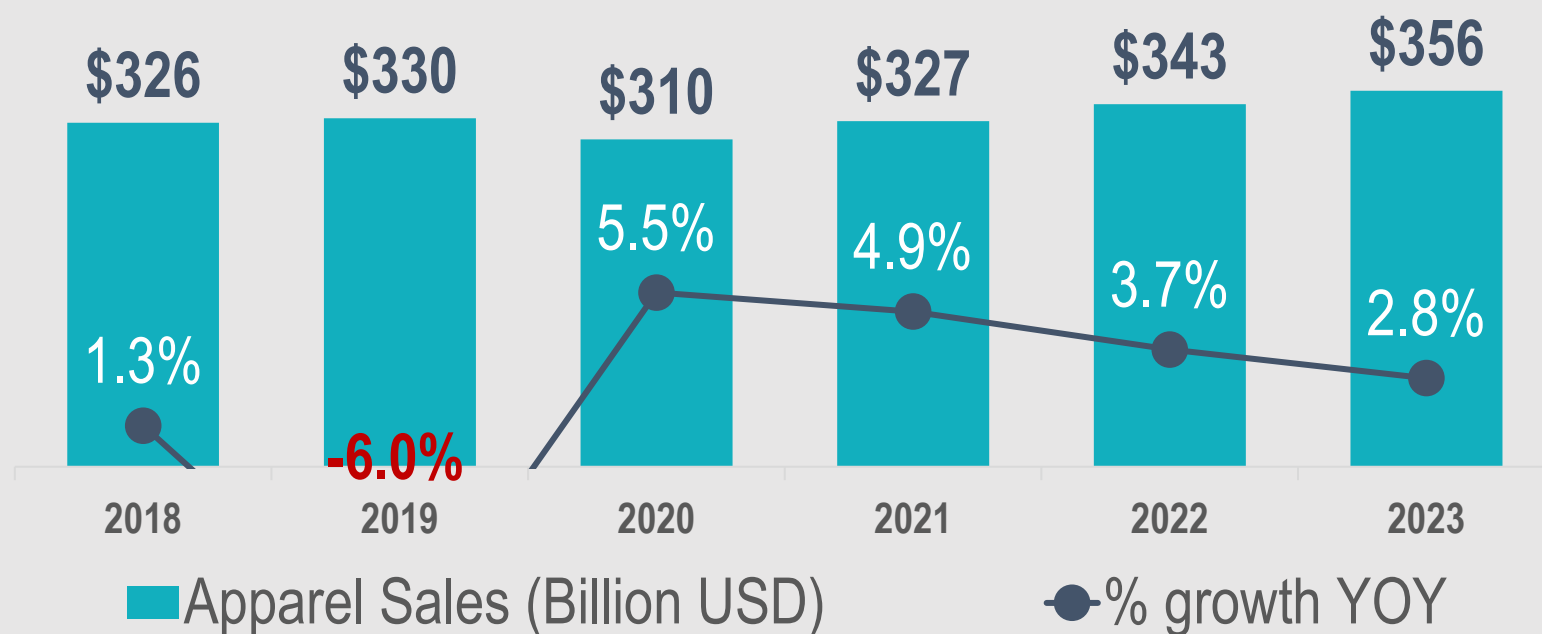
# CLOTHING PURCHASES AFFECTED: U.S.

Consumers apparel spending will drop and take time to recover

54%

of U.S. consumers  
say they are  
spending less on  
clothing than  
before COVID-19

\*April 2020 BEA data showed a  
48% decrease in apparel spending



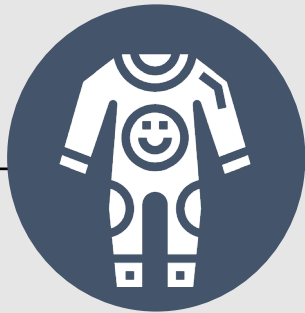
# CLOTHING PURCHASES: U.S.

Consumers seeking out for loungewear and active clothing

**38%**

Have shopped online for clothes or home textiles since start of pandemic

*Of those, percentage who have purchased the following:*



**38%**

Loungewear



**38%**

Activewear



**33%**

T-shirts



**33%**

Sheets



# CLOTHING PURCHASES: U.S.

Brands should focus on activewear as health/wellness interest is surging



Activewear made  
for all your moves



以运动之名，我们同舟共济

如火如荼的抖音运动合拍活动正在进行中，更多运动发起人已登陆，  
快来加入“我们”！

了解更多

**46%** Increased  
exercise

**38%** Purchased  
sportswear

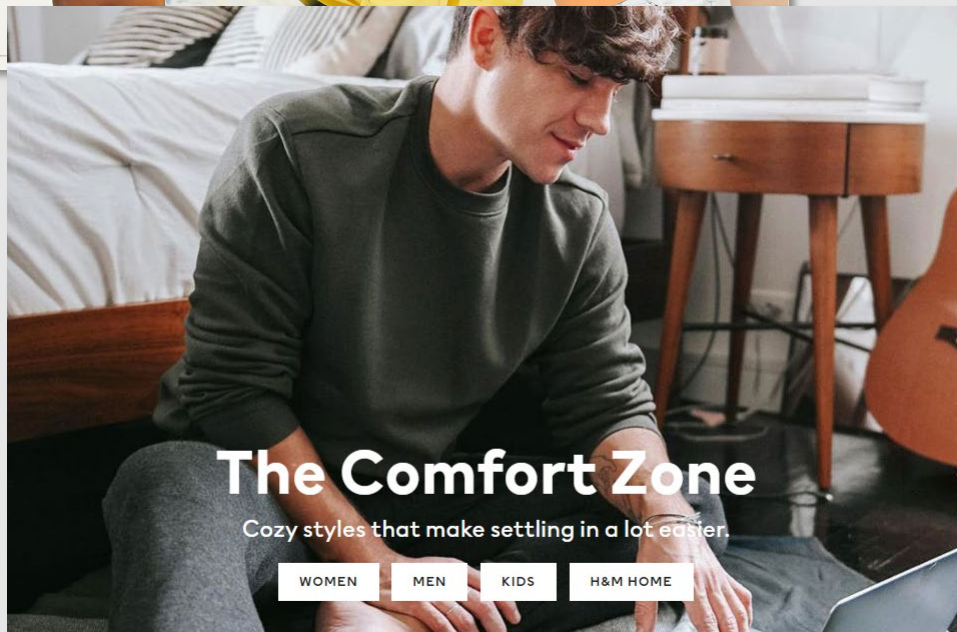
# CLOTHING PURCHASES: U.S.

Brand should focus on comfort in the apparel offerings



75%

Wearing comfortable clothes makes me feel better right now



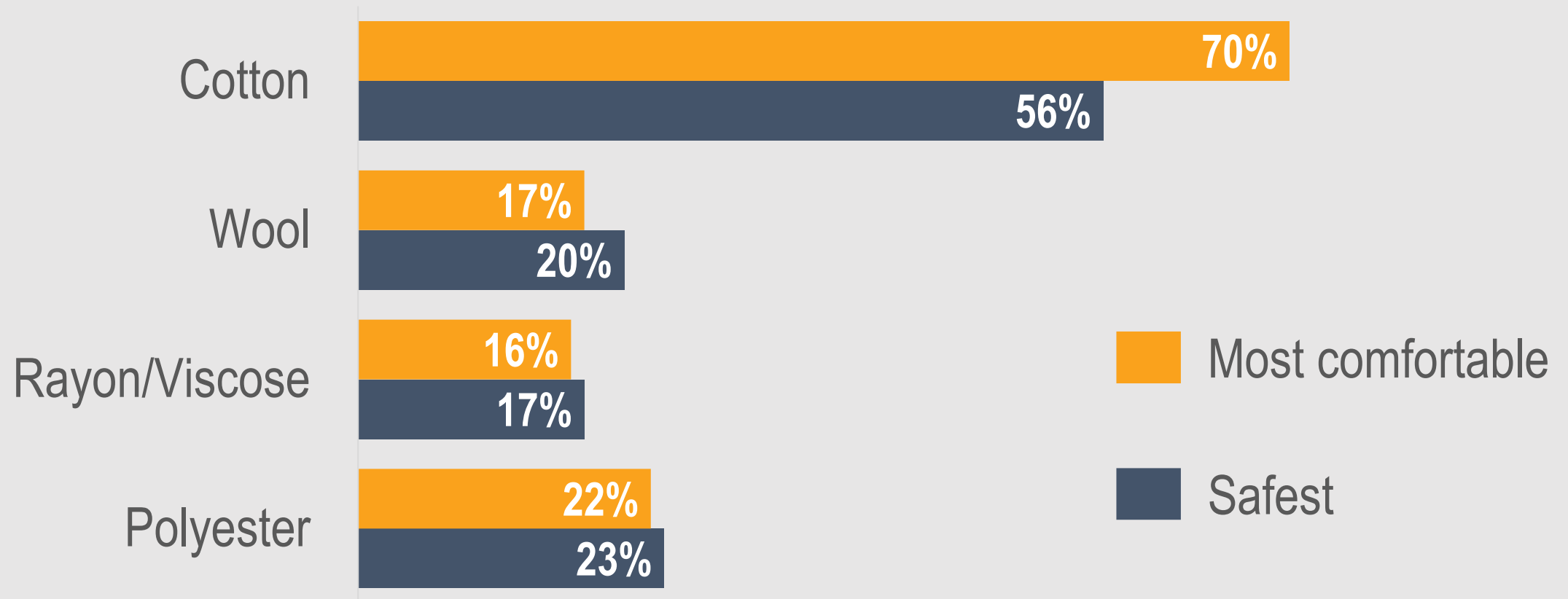
40%

Purchased clothing made for comfort

# CONSUMER CLOTHING: U.S.

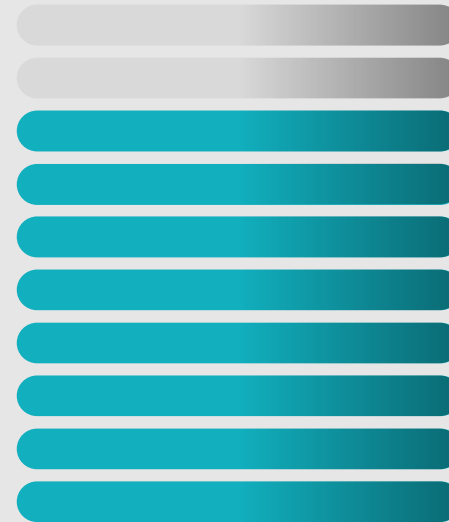
Consumers rate clothing made from cotton the most comfortable and the safest

*Percentage of consumers who rate the following clothing  
the most comfortable and safest*



# COVID-19 EFFECTS WILL PERSIST: U.S.

This experience will change the way consumers shop in the future



73%

This experience will change my way of shopping in the future

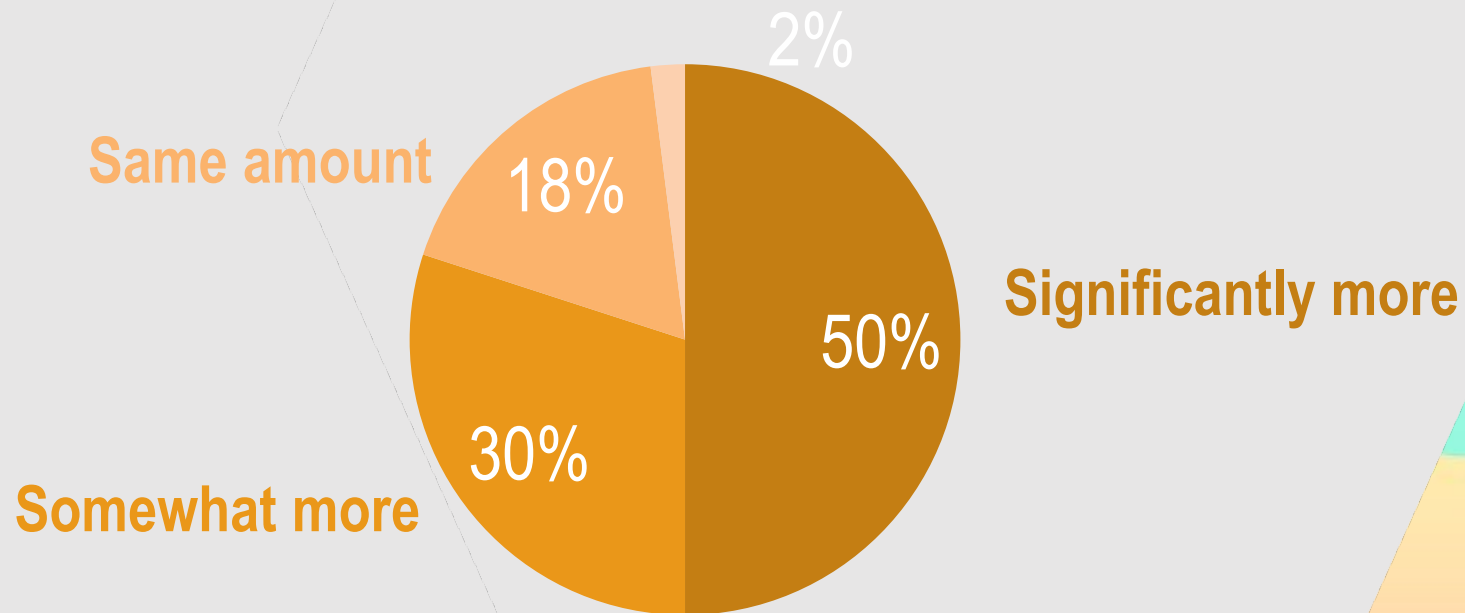


# TRUST AND ONLINE SHOPPING

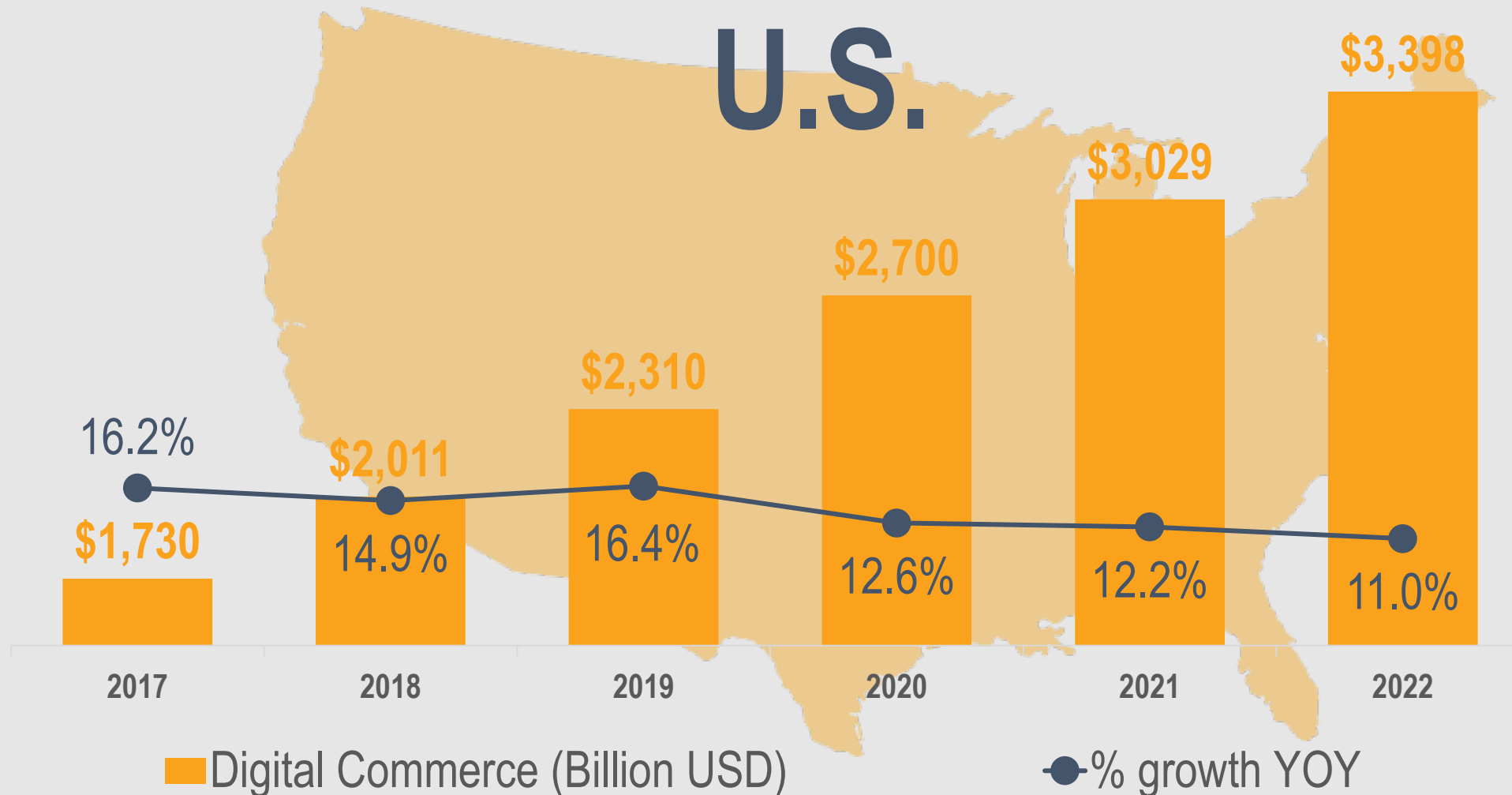
# ONLINE SURGE: U.S.

Consumers are spending more time online

*How much time are you spending  
ONLINE since the start of COVID-19*



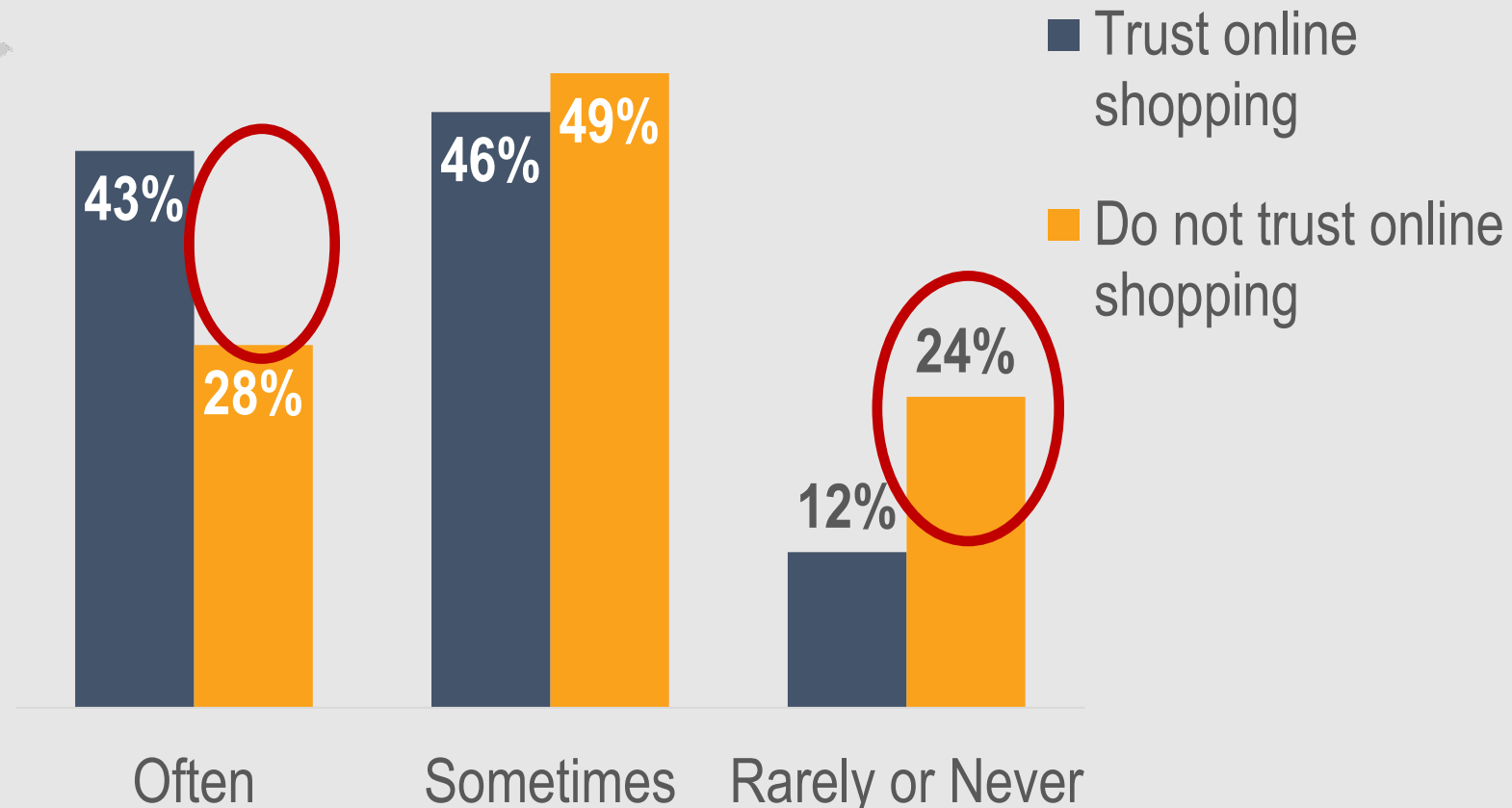
# ONLINE SHOPPING IN COVID-19 ERA



# DISTRUST OF ONLINE SHOPPING



*Before COVID-19, how often did you shop online?*





# SURGE IN ONLINE SHOPPING: U.S.

## ONLINE SHOPPING

Trust online shopping



During COVID-19

34% ↑

After COVID-19

43% ↑

Distrust online shopping

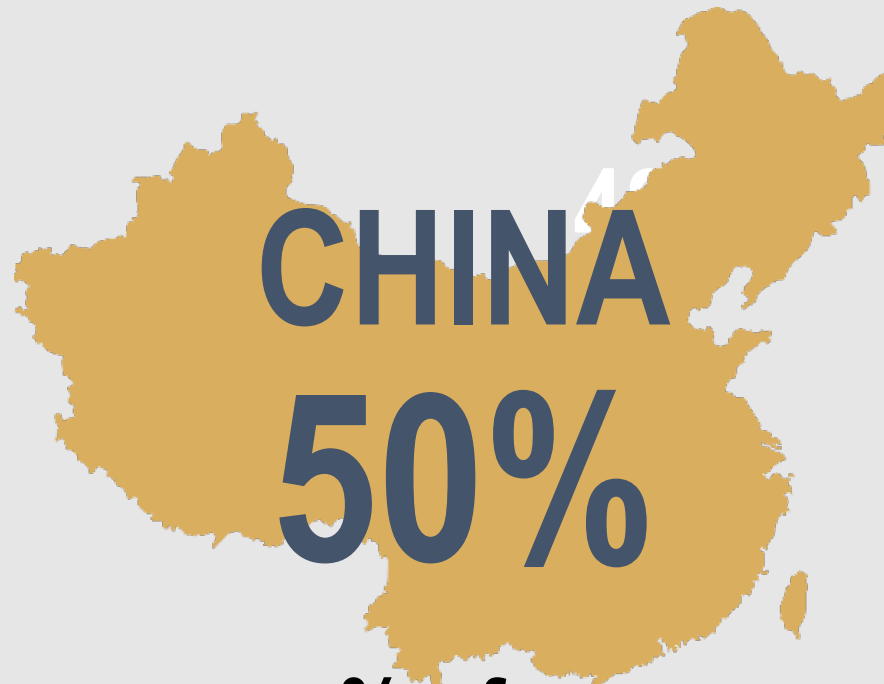


33% ↑

30% ↑

# SHOPPING ONLINE: U.S.

Consumer shopping preferences expected to shift even after COVID



**% of consumers who will have a stronger preference for shopping for clothes online after the pandemic is gone and stores reopen**

# BENEFITS OF ONLINE SHOPPING: U.S.

*Percentage of consumers who cite the following benefits:*

55%



Convenience

50%



Avoid crowds

50%



Free shipping

37%



Prices

30%



Customer Reviews

# COMMON ONLINE ISSUES: U.S.

*Percentage who say the following issues make online clothes shopping more challenging:*

## FIT

68% How it will fit  
77%

## LOOK

65% How it will look on me  
70%

## QUALITY

61% Unsure of quality  
70%

## SHIPPING

54% Don't trust that I will receive what was ordered  
71%

51% Cost/time of shipping  
66%

Those that don't trust online shopping



# TRUST AND AUTHENTICITY: U.S.

92%

Customer reviews make me  
feel a lot more comfortable  
shopping for clothing online

Fit

Quality

Look

Shipping



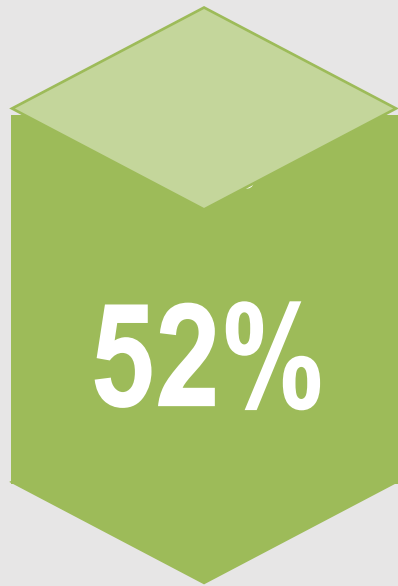
# TRUST AND AUTHENTICITY: U.S.

*I take them with a grain of salt; however, it is good to know what the opinions of others when choosing a product. They are helpful in to knowing what to expect and the nuances that come with the product.*

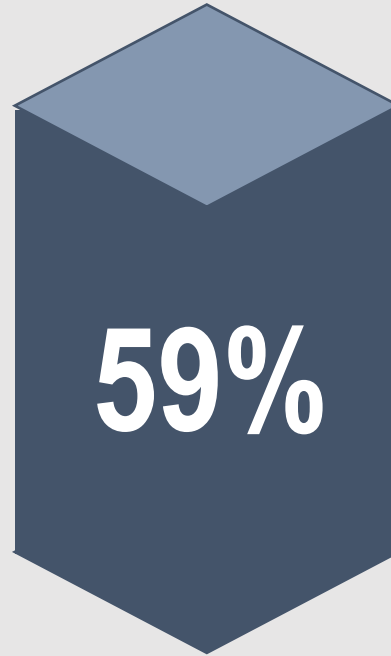
*- female, 51, U.S.*



# TRUST AND AUTHENTICITY: U.S.



Computer generated reviews 'bots' are a big problem



Customer reviews are probably manipulated



It is hard to tell whether a review is authentic

# MAKING REVIEWS MORE BELIEVABLE

*U.S. users suggest:*



Customer-submitted pictures or videos of the product, 40%



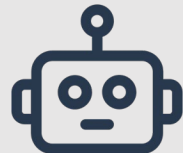
Personal experiences with the product, 38%



Verified purchases of product reviewed, 50%



Identity verification of reviewer, 30%



Fewer 'bots' (computer-generated reviews), 36%



No sponsored reviews/ reviews in exchange for a free product 27%

# SOLVING COMMON ISSUES: U.S.

## ISSUE

Fit

68%

How it will fit

## SOLUTIONS

*Percentage who say tools address challenges well:*

### What Others are Saying

Runs Small ☐ ☐ ☒ ☐ ☐ Runs Large

US <input type="button" value="v"/>	Bust	Waist	Hips
00	31	23	33
0	32	24	34
2	33	25	35
4	34	26	36
6	35	27	37
8	36	28	38

Customer ratings  
for fit

75%

More detailed fit  
information

72%

Size charts/  
Fit Guides

71%

# HIGH-TECH SOLUTIONS FOR FIT: U.S.

## ISSUE

Fit

68%

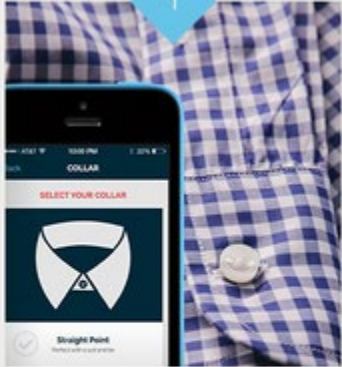
How it will fit

## SOLUTIONS

*Percentage who say technology makes them more likely to shop for clothing online:*

80%


A tool for getting my exact measurements



**1**

**Customize Your Shirt's Style**

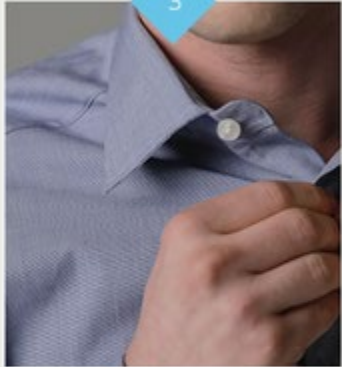
Choose your fabric, collar, cuff and more.



**2**

**Get Measured by Your iPad or iPhone**

Your mobile device's camera measures you at home in under 5 minutes.



**3**

**Enjoy Looking Great in Your Shirt**

Receive your shirt in the mail and get ready for the compliments.

# HIGH-TECH SOLUTIONS FOR LOOK: U.S.

## ISSUE

Look

65%

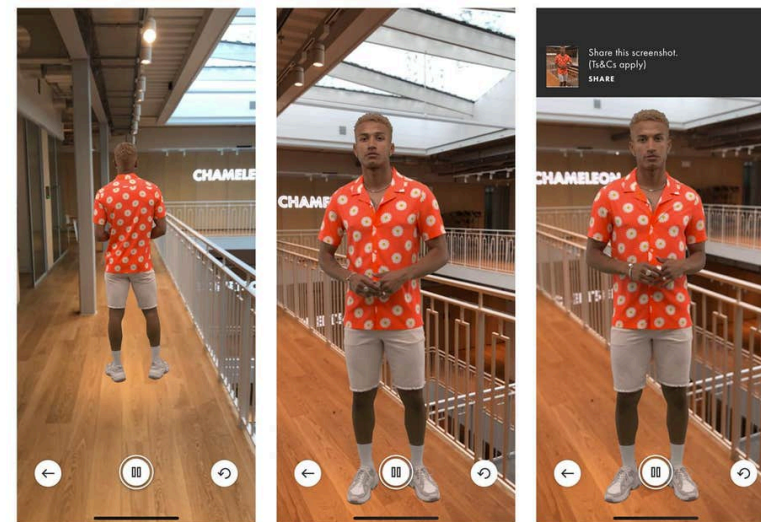
How it will  
look on me

## SOLUTIONS

*Percentage who say technology makes them more likely to shop for clothing online:*

69%

Virtual reality, allowing you to picture yourself using a product





# SOLVING COMMON ISSUES: U.S.

## ISSUE

Quality

62%

Unsure of quality

## SOLUTIONS

*Percentage who say tools address challenges well:*

### **WE'VE UPDATED OUR RETURNS POLICY**

We know free returns are one of the (many) reasons you shop with us, so we've increased the time you can return stuff from 28 days to 45 days. If you return anything within 28 days, we'll refund you as normal... and after that (up to 45 days), you'll now get an ASOS gift e-gift card for the amount you spent.



Free returns **79%**

Quality guarantee  
(e.g., money back  
up to 30 days) **77%**

# SOLVING COMMON ISSUES: U.S.

## ISSUE

**Shipping**

**54%**

Don't trust that I will receive  
what I ordered

**51%**

Cost of shipping

## SOLUTIONS

*Percentage who say tools address  
challenges well:*

Free 2-day (or less) shipping **78%**

Estimated shipping time **74%**

Cash/Charge after product is  
delivered **68%**

# HIGH-TECH SHPPING SOLUTIONS: U.S.

## ISSUE

**Fear**

**58%**

Not going out in public places

**59%**

I feel safer purchasing items online

## SOLUTIONS

Delivery by drone  
human less delivery **80%**

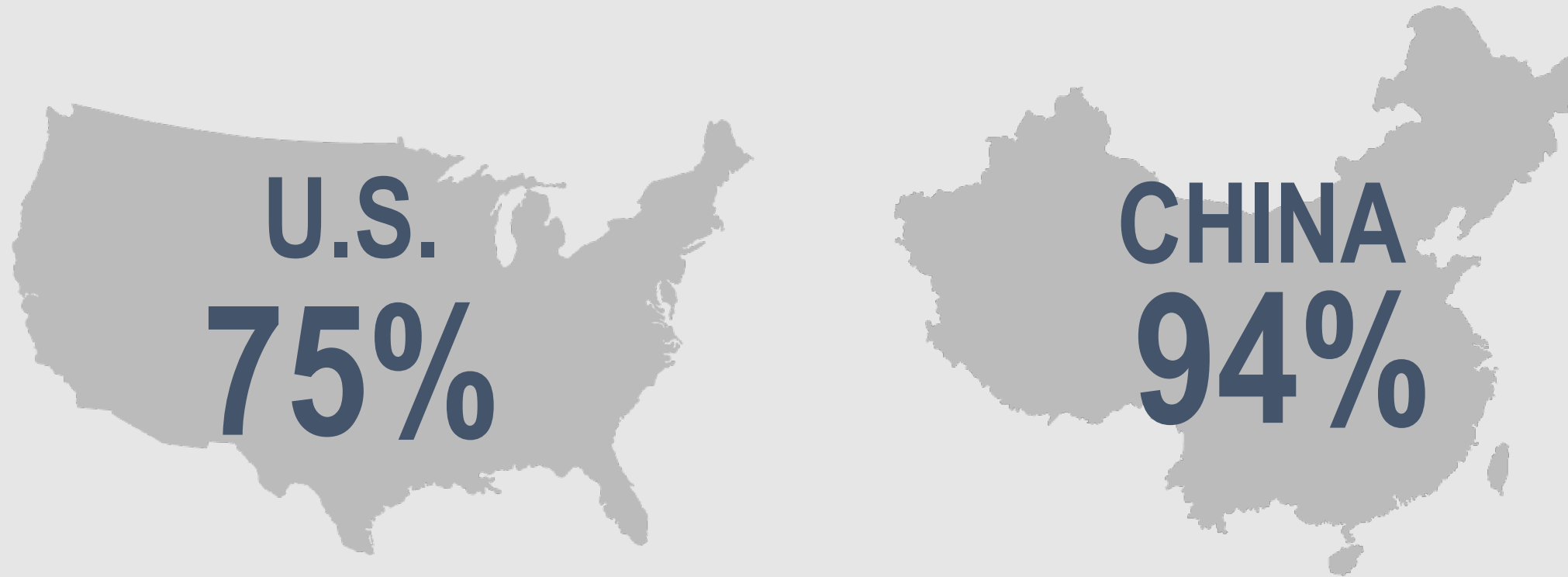




# **ENVIRONMENTAL EFFECTS**

# ENVIRONMENTAL CONCERNS: U.S.

Environmental concerns are very real for U.S. consumers



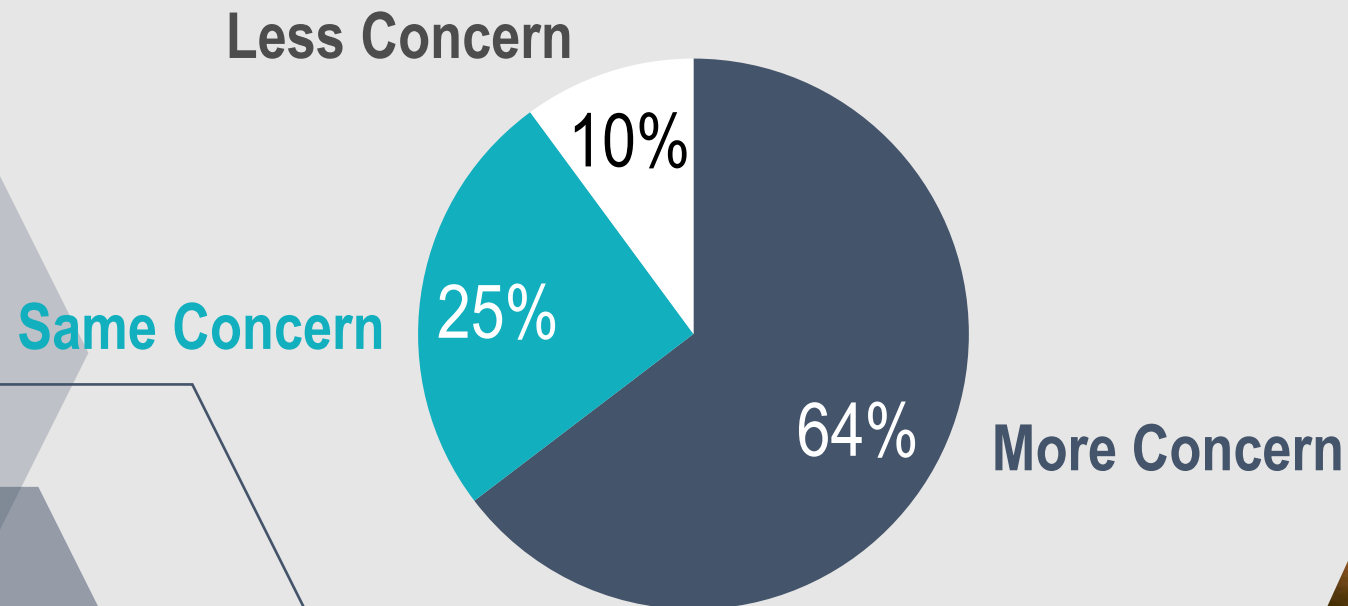
**Environmental concerns are very real and  
require a change in our behaviors**



# ENVIRONMENTAL CONCERNS: U.S.

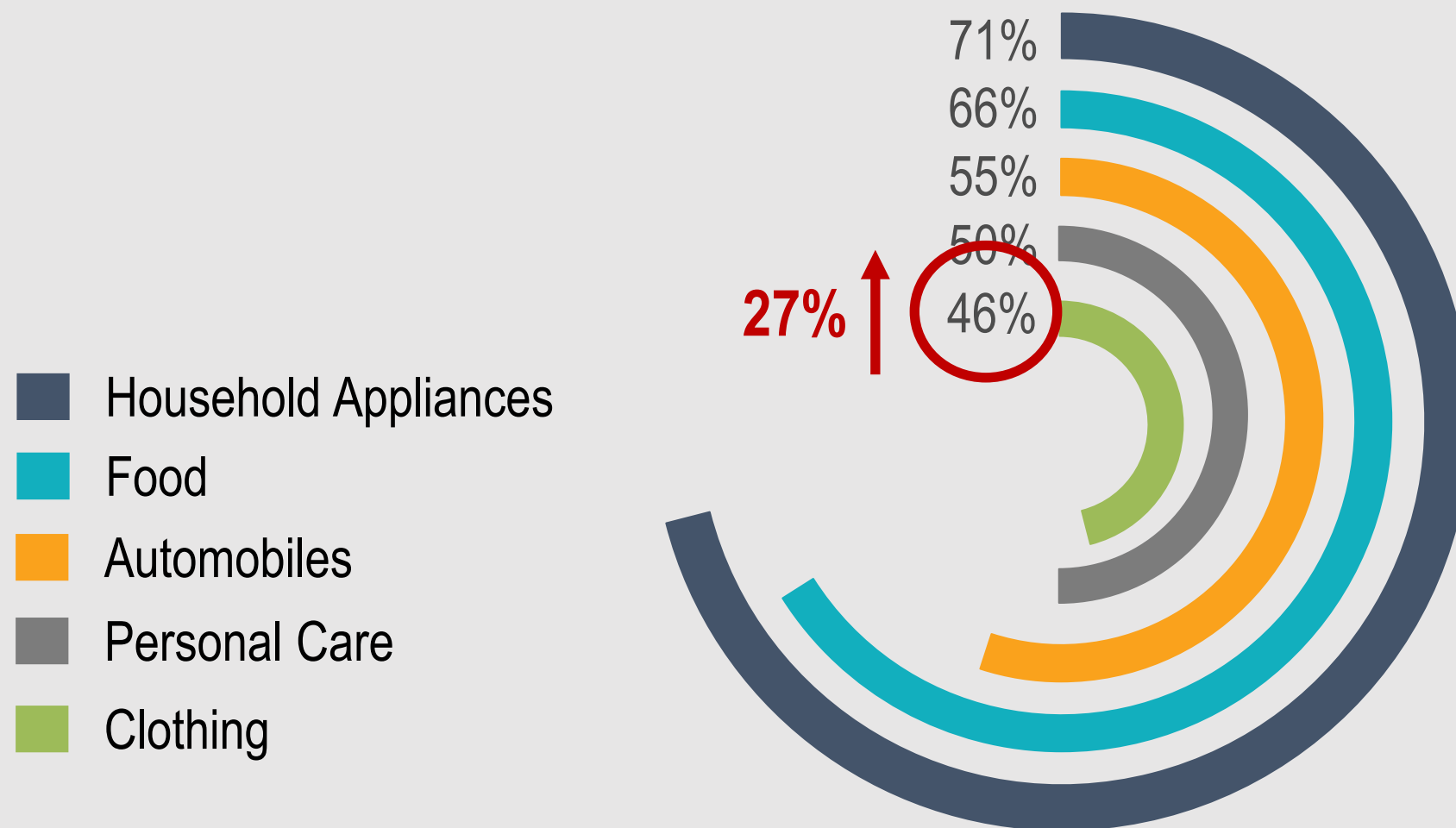
Consumers' concerns over environmental/sustainability issues are growing

*Generally, how have your concerns about sustainability/environment changed after the emergence of COVID-19?*



# CONSUMERS AND SUSTAINABILITY

Importance of sustainability by industry for U.S. consumers



Fashion is the

~~10th~~ ~~2nd~~ most

polluting

of what?



Industry on the

planet after ~~oil~~

A lot of  
others



# NEGATIVE IMPACT AREAS OF THE APPAREL INDUSTRY



SOURCE: WWW.SUSTAINABLEFASHIONACADEMY.ORG

THE PLASTIC FROM  
**YOUR T-SHIRTS** ARE  
FILLING **OUR OCEANS**  
THERE IS 5.25 TRILLION PARTICLES  
OF MICROPLASTIC FLOATING  
IN OUR OCEANS

## #1 Water Quality

**Worldwide, one truckload of clothes is sent to landfill or incinerated every second.**

## #3 Resource Depletion

Source: CCI & Cotton Incorporated's Global Environment Research 2017

## #2 Air Pollution

# ENVIRONMENTAL CONCERNS: U.S.

Microplastics have a significant impact on water quality

## 100K+ MEDIA MENTIONS IN 2020

### MICROFIBER CONTAMINATION



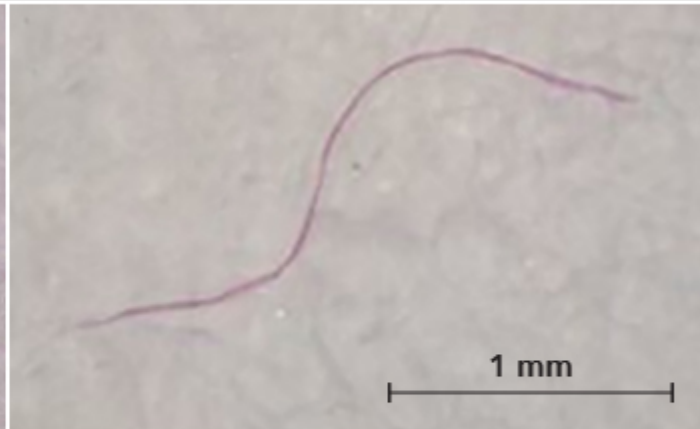
#### Sea Salt

1.5 mm microfiber from Atlantic Ocean sourced sea salt.



#### Beer

1 mm microfiber from brewery drawing water from Lake Erie.



#### Tap Water

2.5 mm microfiber from U.S. tap water sample.

# 35%

AWARE OF  
MICROPLASTICS  
POLLUTION



# ENVIRONMENTAL CONCERNS: U.S.

Cotton microfibers readily degrade in aquatic environments

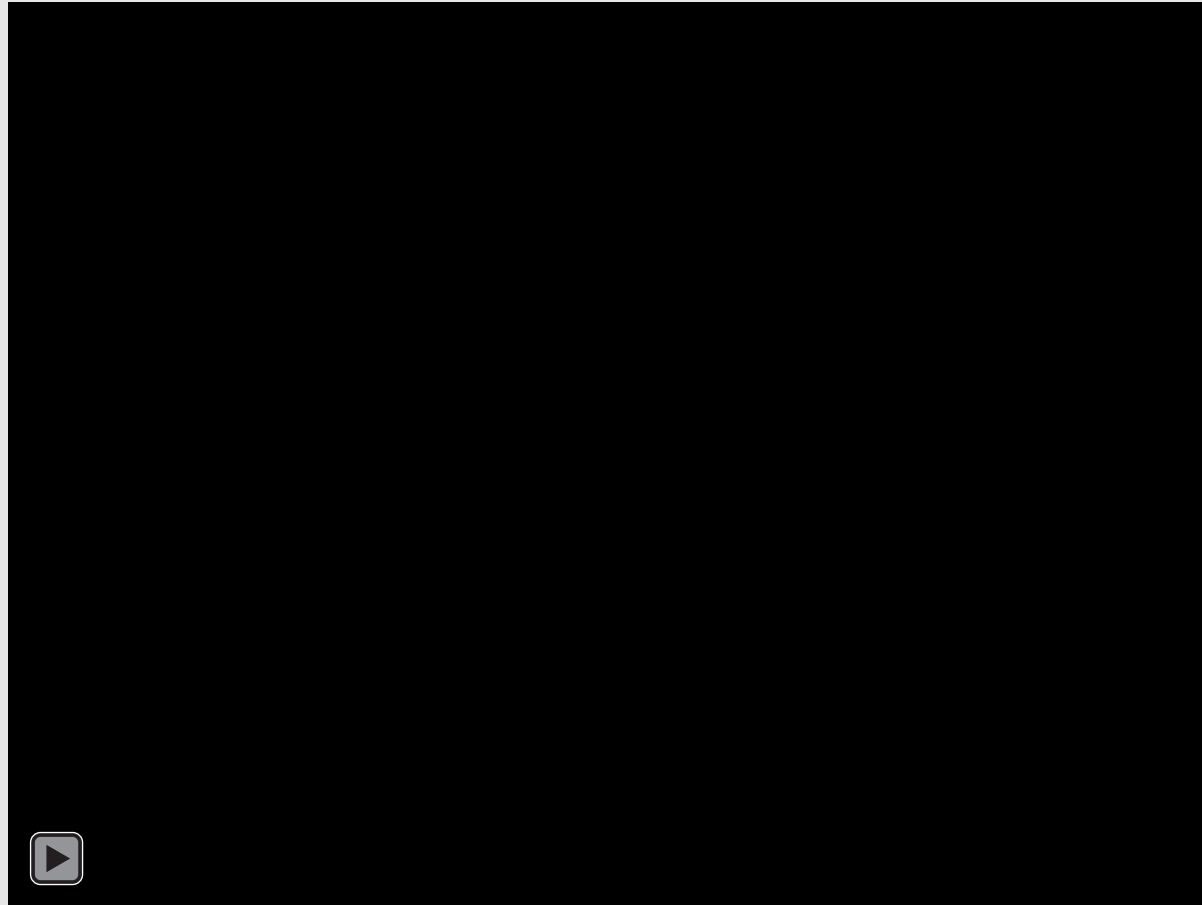


Source: NCSU Research Project 17-579—Microparticles Generated from Laundering Cotton and other Fabrics



# ENVIRONMENTAL CONCERNS: U.S.

Air pollution changes during the pandemic has increased interest in reductions



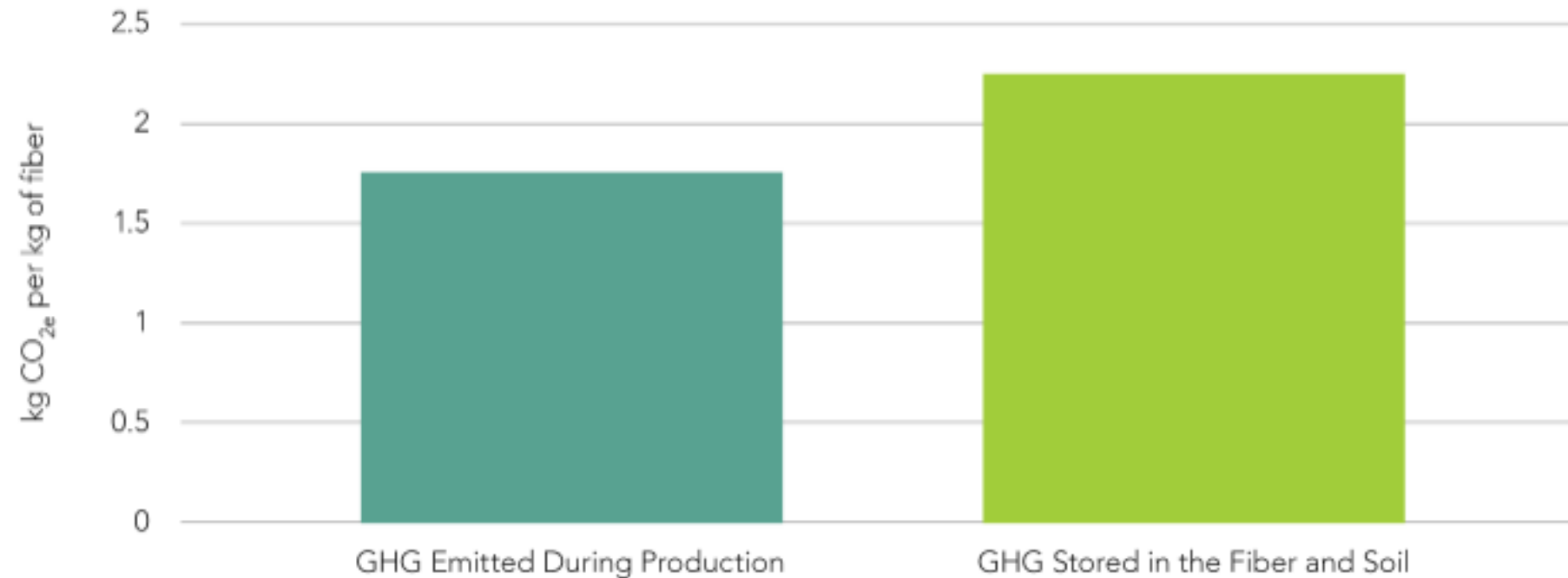
**61%**

**More interested in  
reducing air pollution**

# ENVIRONMENTAL CONCERNS: U.S.

Cotton can be carbon neutral to help combat GHG

U.S. Cotton Carbon Footprint





# ENVIRONMENTAL CONCERNS: U.S.

85% of apparel ends up in landfills

**60%**

Interested in  
how to reuse or  
recycle clothing  
after use



**85% OF USED  
TEXTILES ARE  
ENDING UP IN THE  
LANDFILL.**

The good news: there are many people and organizations working hard to eliminate textile waste at the community and system level.

# BLUE JEANS GO GREEN™: IMPACT

3,500,000+

pieces of denim collected

1,750+ tons

textile waste diverted from landfills

6,000,000+ sq. ft.

insulation manufactured

60+

building organizations received insulation

300+

brand, retailer, edu. institution & organization partners

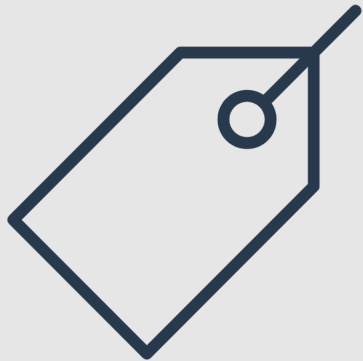


# SUSTAINABILITY & THE ENVIRONMENT

U.S. consumers blame the industry

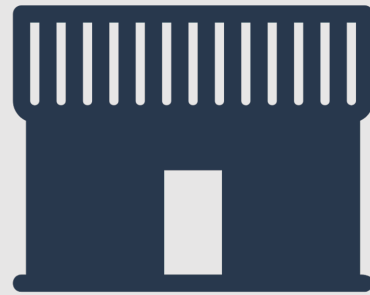
*Primary blame placed on brands and retailers*

Brand



#1

Retailer



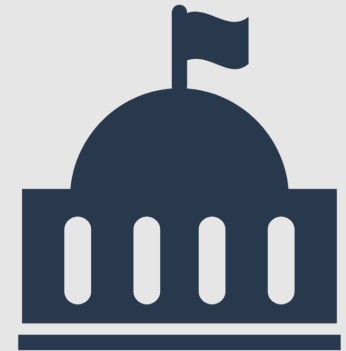
#2

Manufacturer



#3

Government



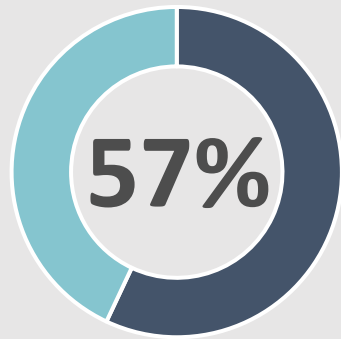
#4



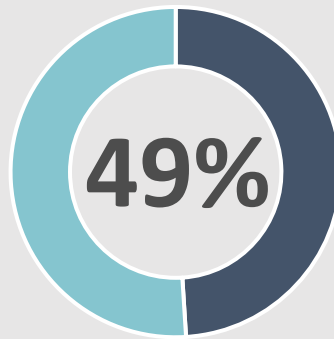
# SUSTAINABLE CLOTHING: U.S.

U.S. consumers already have some sustainable clothing habits

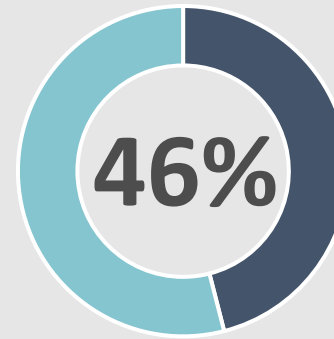
Percent of consumers who always/often do the following to protect the environment



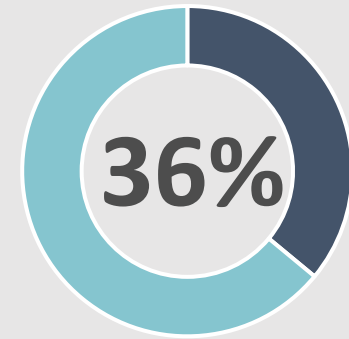
Recycle their old clothing



Reduce their consumption or buying less



Purchase second-hand clothing



Research the sustainability of brands

# PURCHASE DRIVERS: U.S.

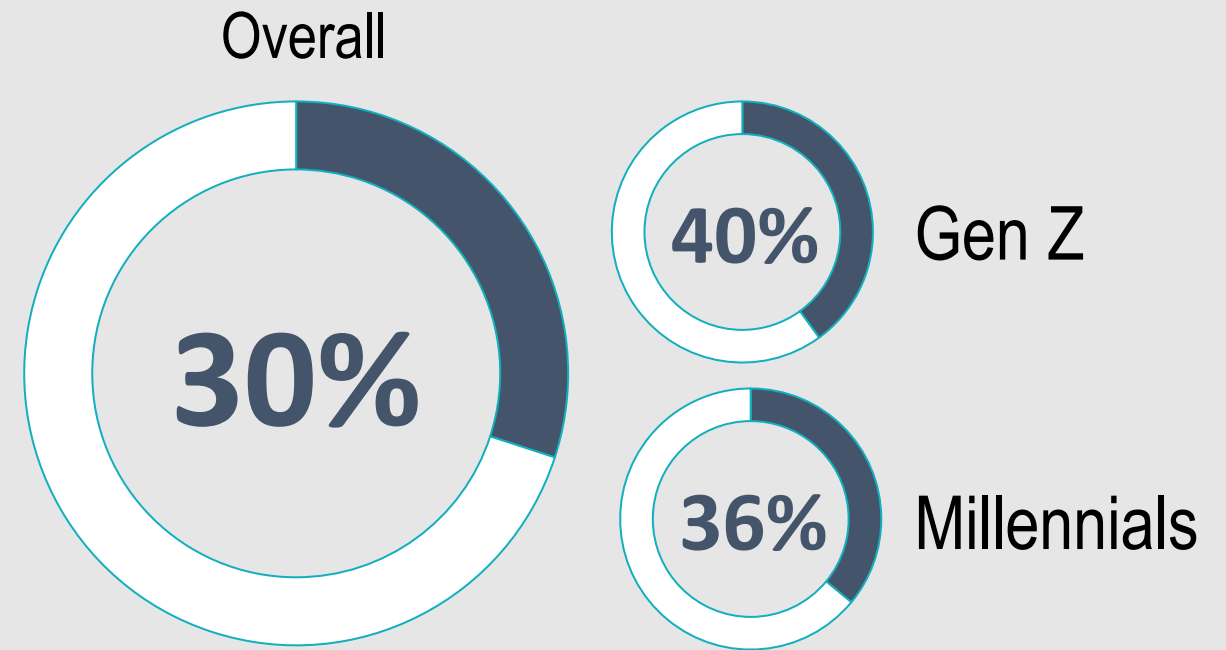
Sustainability lower on the priority list for U.S. consumers



# SUSTAINABLE CLOTHING: U.S.

Sustainability is not yet driving clothing purchases for most consumers

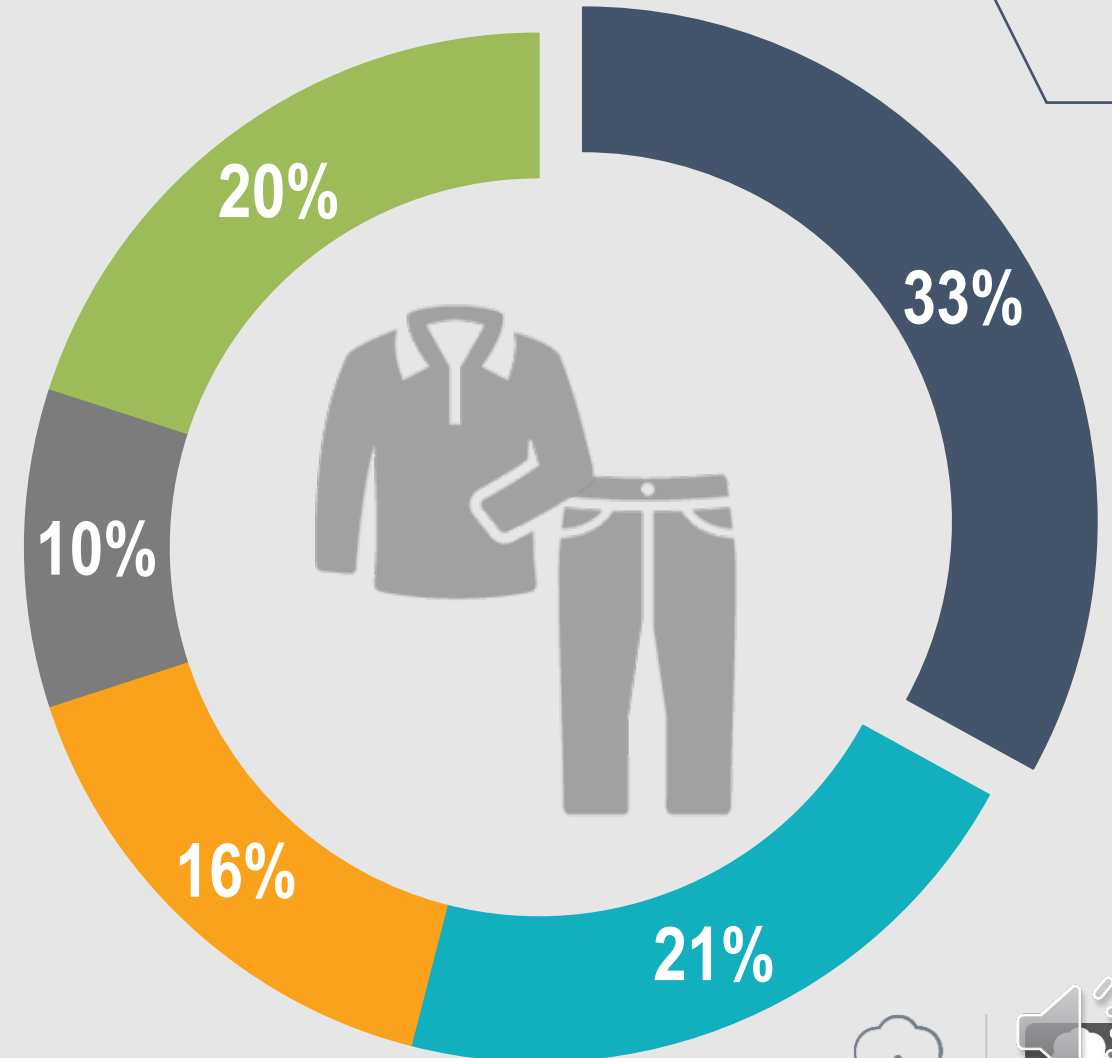
*Always/Usually  
purchase clothing  
positioned as  
sustainable*



# SUSTAINABLE CLOTHING: U.S.

Education and availability is needed to drive more interest in sustainable clothing

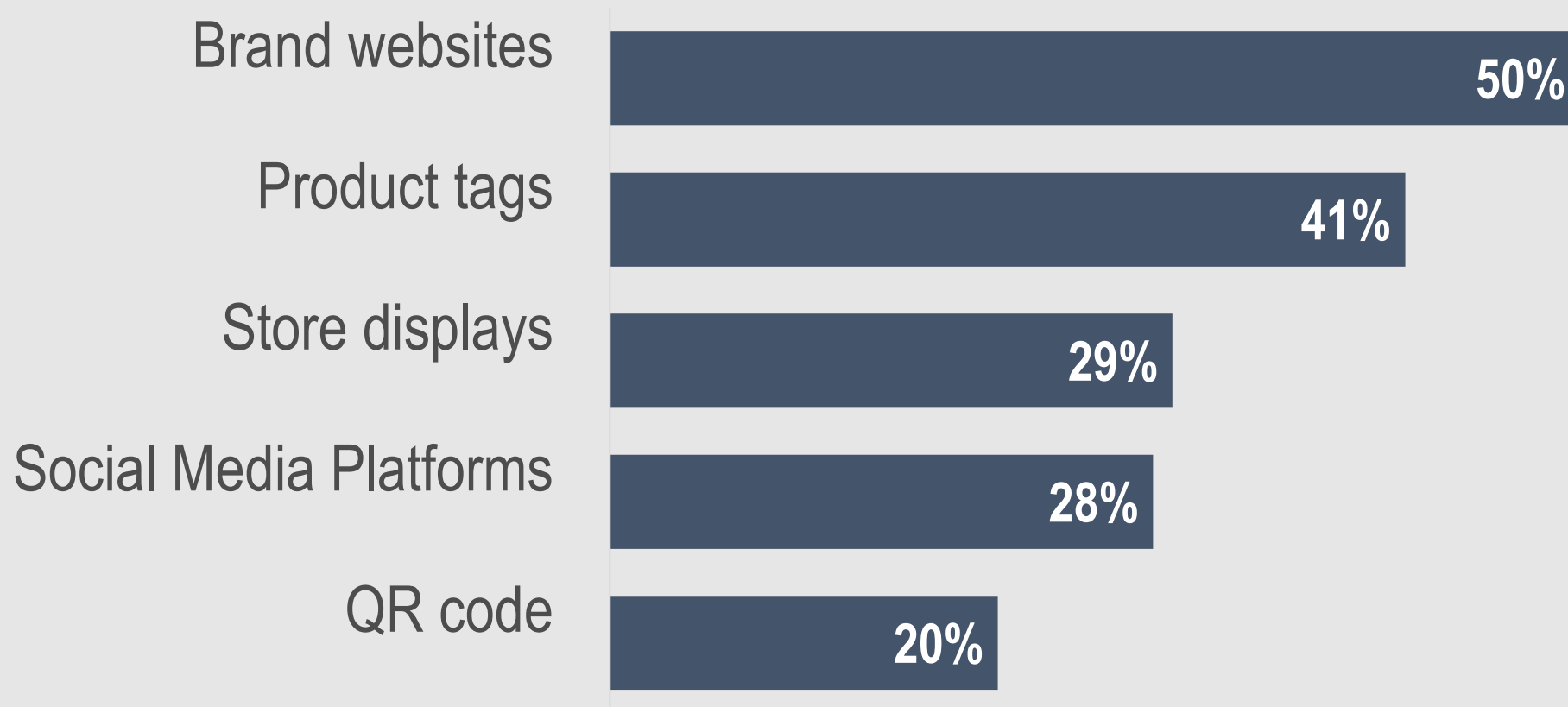
- Sustainability is not important in clothing
- Hard to find environmentally-friendly clothing
- Environmentally-friendly clothing is expensive
- I have no interest in sustainable clothing
- Other



# SUSTAINABLE CLOTHING: U.S.

Consumers look for education on your products in different places

***Where do consumers want to learn about environmental impacts from brands***



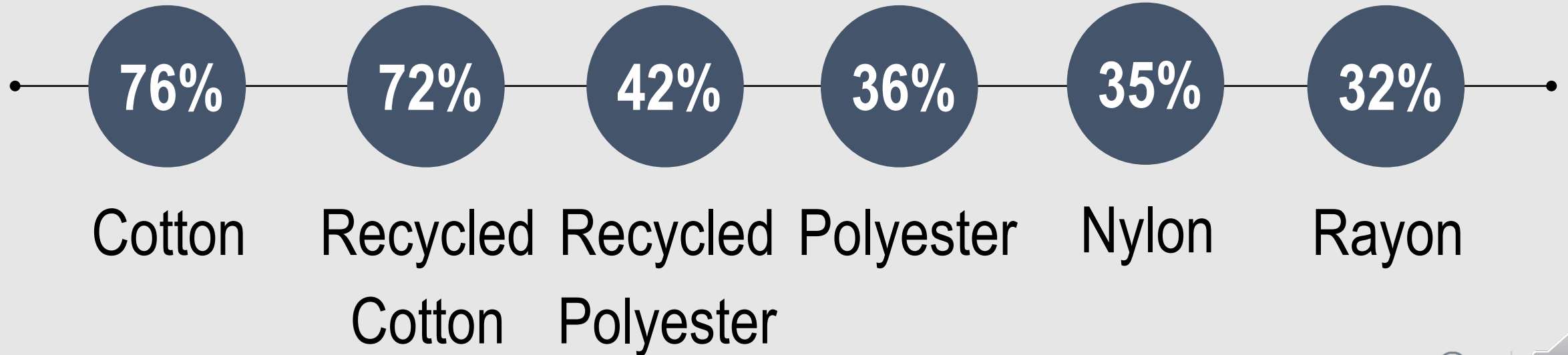
# SUSTAINABLE CLOTHING: U.S.

Fiber is how consumers identify a clothing product as sustainable

**93%**

Consumers look to fiber to determine the sustainability of clothing items.

*Percent of consumers saying the following fibers are safe for the environment:*





# SUMMARY



## COVID-19 EFFECTS

Understand how  
COVID-19 will reshape  
consumer habits



## ONLINE SURGING

Look for ways to  
capitalize on the surge  
in online shopping



## SUSTAINABILITY

Find ways to improve  
the sustainable  
perception of your  
brand and products



# Navigate the Market: Economic, Consumer, & Retail Insights



# Webinars

## PAST WEBINARS:

Cotton & Water:  
Understanding Metrics &  
Use in Industrial Tools

Cotton & Water:  
Demystifying  
Agricultural Water  
Management

Stop the Leak:  
Addressing Plastic  
Leakage in Your Supply  
Chain

The Trade Dispute & U.S.  
Apparel Sourcing

Global Market for Baby  
Care Today & Tomorrow

The Tariff Dispute & the  
Cotton Supply Chain

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Please allow 24-48 hours for this webinar  
recording to be added.



# Cotton Sustainability

Topics > Sustainability > Cotton Sustainability



## Recycled Cotton

The use of recycled materials is a growing topic of interest and recycled cotton can find new life in many different products.



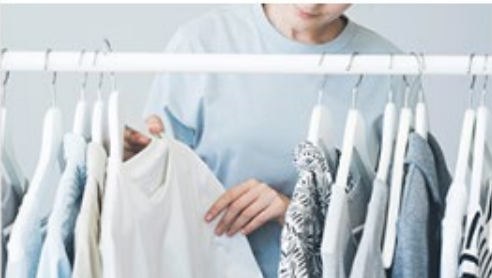
## Biodegradability of Cotton

What happens when your favorite cotton shirt finally reaches the end of its functional life? Explore this natural fiber's afterlife.



## Life Cycle Assessment of Cotton

This presentation will identify key impact areas and elaborate on environmental benchmarking for cotton.



## Consumer Perceptions

Explore consumer perceptions relating to cotton and cotton sustainability using ongoing research from Cotton Incorporated.



## Cotton LEADS<sup>SM</sup>

The Cotton LEADS<sup>SM</sup> program strives to make sure cotton is produced responsibly now and for years to come.



## U.S. Cotton Traceability

Learn about what makes U.S. cotton stand out from the rest with 100% traceability.

# Cotton Sustainability

Learn more at  
**[cottonworks.com/  
sustainability](https://cottonworks.com/sustainability)**.





# Navigate the Market: Economic, Consumer, & Retail Insights



Submit all final questions now  
using the Q&A box on your screen.



Please take our brief survey on today's  
presentation prior to exiting the webinar.