Global Lifestyle Monitor IV – Brazil Report

Prepared for Cotton Council International

Prepared by Synovate

Job number 6D77

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COTTON USA™

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Table Of Contents - Brazil

Overall Background

Since 1998, Cotton Council International (CCI) has successfully conducted the “Eurostyle Monitor” and “Global Lifestyle Monitor,” which investigate a wide range of lifestyle issues related to clothing, shopping and textiles. This research has been important in adding value and increasing understanding of consumer attitudes and behaviors to CCI members around the globe.

The research looks in detail at lifestyles, clothing purchasing habits, and clothing interest and attitudes. Analysis of the results helps CCI understand:

- ✓ The issues behind cotton product demand,
- ✓ What motivates consumers to choose cotton over synthetics, and
- ✓ The implications of these issues for CCI’s strategy in promoting US cotton.

In 2006, Synovate was again selected to conduct and coordinate the Global Lifestyle Monitor research for Cotton Council International.

Overall Methodology

Interviewing

Market	Methodology
Brazil	**Face to face:** Sao Paulo, Rio de Janeiro, Belo Horizonte, Recife, Porto Alegre
China	**Telephone:** Beijing, Guangzhou, Shanghai
Colombia	**Face to face:** Bogota, Cali, Barranquilla, Medellin
Germany	**Telephone:** national
Thailand	**Face to face:** Bangkok, Chiangmai, Chonburi, Hadyai, Korat
India	**Face to face:** Mumbai, Delhi, Bangalore, Kolkata, Chennai
Italy	**Telephone:** national
Japan	**Telephone:** Tokyo, Osaka
United Kingdom	**Telephone:** national

NOTE: Korea and Taiwan were not included in the scope of the survey in 2003 or 2006.
Hong Kong is also not included in the scope in 2006.
Thailand is being surveyed for the first time in 2006.

Methodology – Brazil

Fieldwork in Brazil was conducted by Synovate from March 3rd to March 14th, 2006. A total of 500 respondents were surveyed via face-to-face interviewing in five cities: Sao Paulo, Rio de Janeiro, Belo Horizonte, Recife, and Porto Alegre.

The key respondent qualification requirement is that they purchase their own clothing. In order to maintain data consistency with the study conducted in 2003, we also set soft quotas by gender, targeting 236 males and 264 females. All respondents fall within the 15-54 age range.

This summary of results highlights major changes between the Global Monitor I conducted in 1999, Global Monitor II conducted in 2001, Global Monitor III conducted in 2003, and Global Monitor IV currently conducted in 2006.

Store Examples Used During Interviewing:

- Department stores (e.g., Lojas Americanas)
- Chain stores (e.g., C&A, Pernambucanas)
- Hypermarkets/Warehouse Clubs (e.g., Extra, Carrefour)
- Chain/Specialty shops outside of department stores (e.g., Benetton, Forum, M. Officer)
- Sports/Sporting good stores (Bayard)
- Catalogs/mail order (e.g., Kay's, Gus)

Base: Total Respondents: 1999 (n=500); 2001 (n=500); 2003 (n=500); 2006 (n=500)

Shopping and Fashion - Brazil

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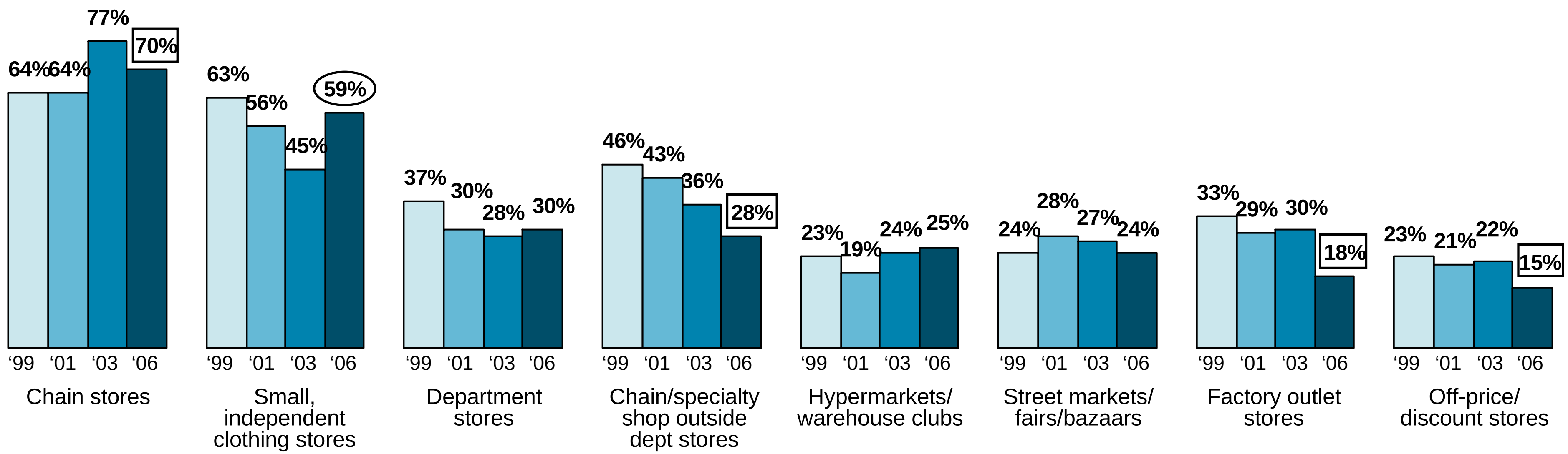
Shopping and Fashion - Brazil

The key locations for current clothes purchases remain similar to 2003. Chain stores, small/independent clothing stores, and department stores remain popular despite significant movement.

Stores And Places Used To Buy Clothes For Yourself



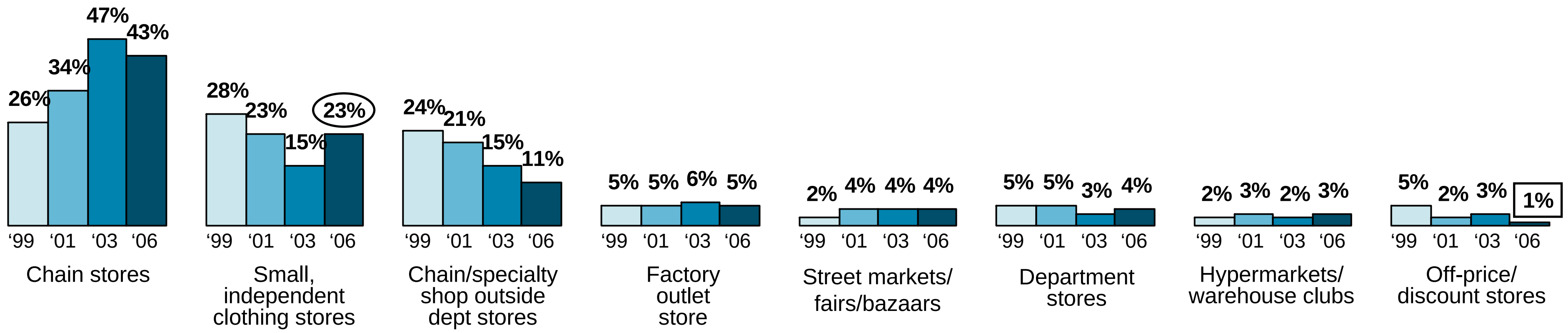
Significantly higher than GLM III at the 95% confidence level

Significantly lower than GLM III at the 95% confidence level

Shopping and Fashion - Brazil

Small, independent clothing stores and chain stores remain the predominant two stores of choice where Brazilians buy most of their clothes.

Stores and Places Used To Buy Most Of Your Clothes

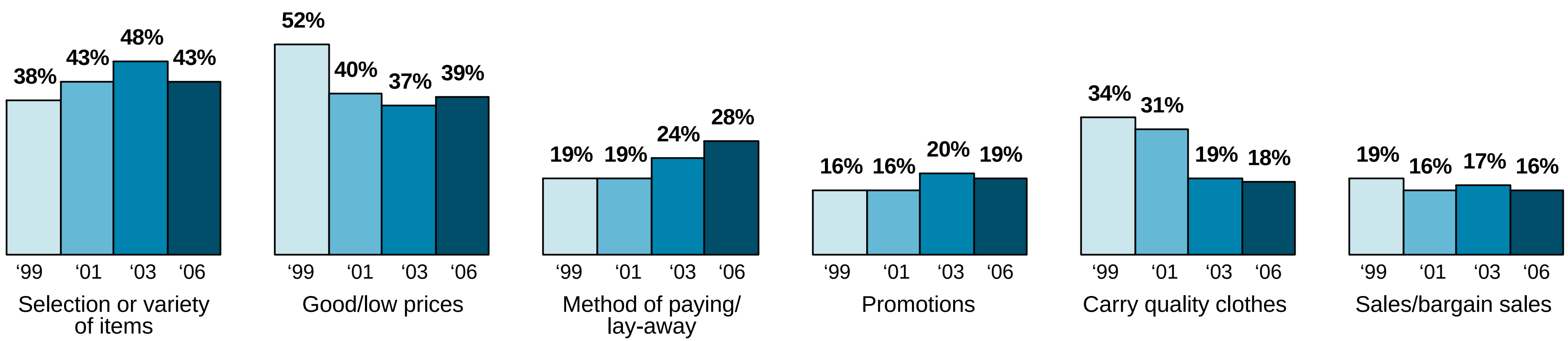


Significantly higher than GLM III at the 95% confidence level
Significantly lower than GLM III at the 95% confidence level

Shopping and Fashion - Brazil

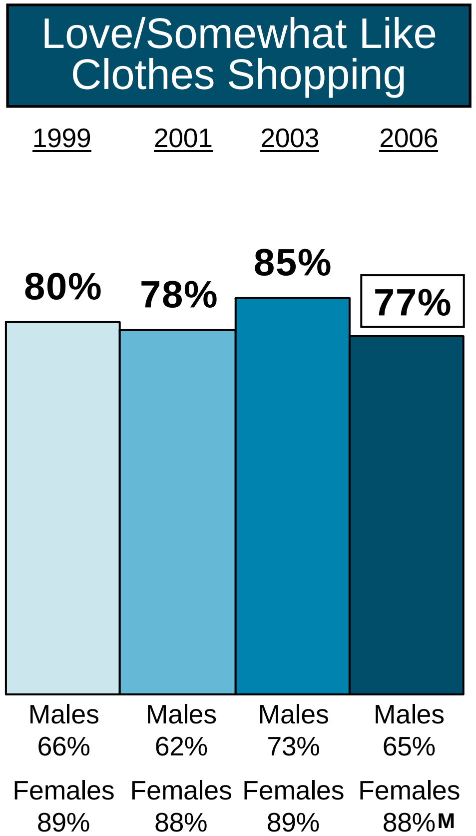
The selection and variety of items available continues to be the main reason for liking a particular clothing store. Good/low prices and method of paying/layaway are also major considerations. Carrying quality clothes did not rebound from the sharp decline seen in 2003.

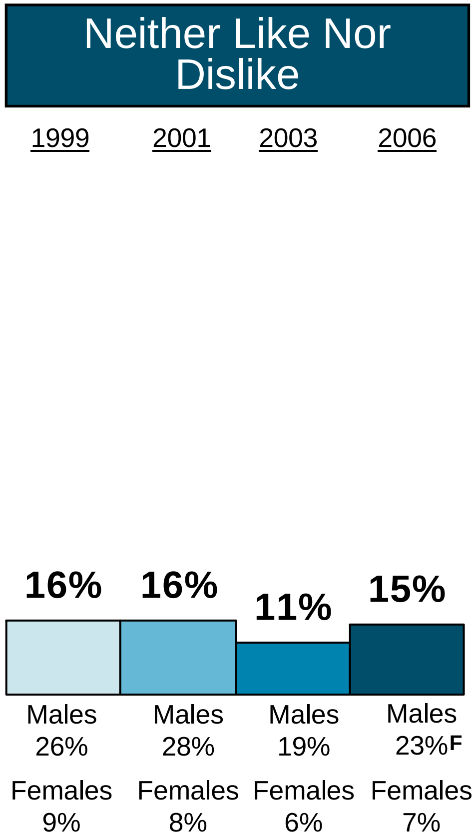
Clothing Store Attributes



Shopping and Fashion - Brazil

There was a significant decline in the percentage of Brazilians who enjoy clothes shopping. This difference can largely be attributed to men's attitudes towards shopping for clothes.



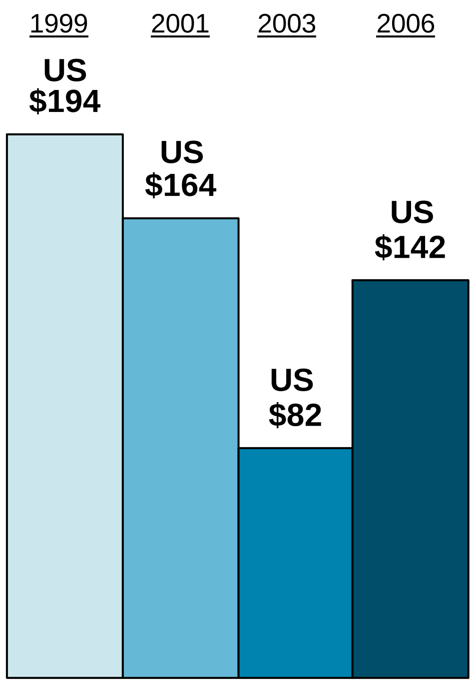


☐ Significantly lower than GLM III at the 95% confidence level
F Significantly greater than women at the 95% confidence level
M Significantly greater than men at the 95% confidence level

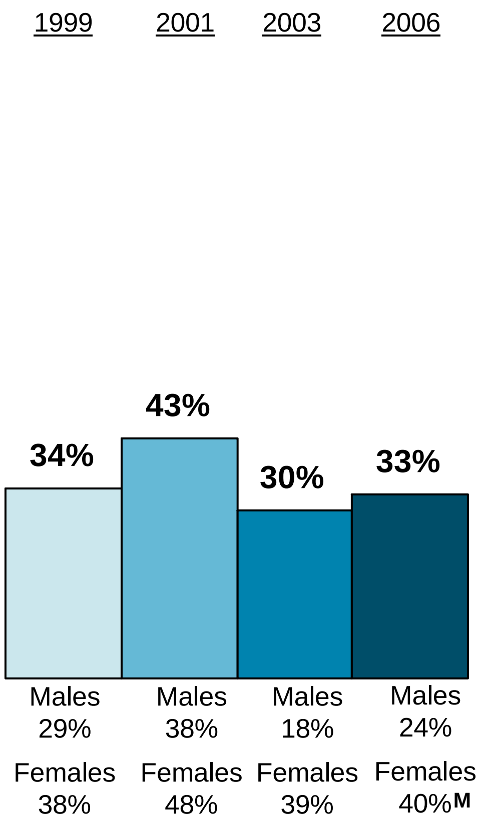
Shopping and Fashion - Brazil

Over a three month period, Brazilian shoppers spent an equivalent of US$142, up from US$82 in 2003. One-third buy clothes at least once a month.

Average Spent on Clothes In Past 3 Months



Buy Clothes At Least Once A Month

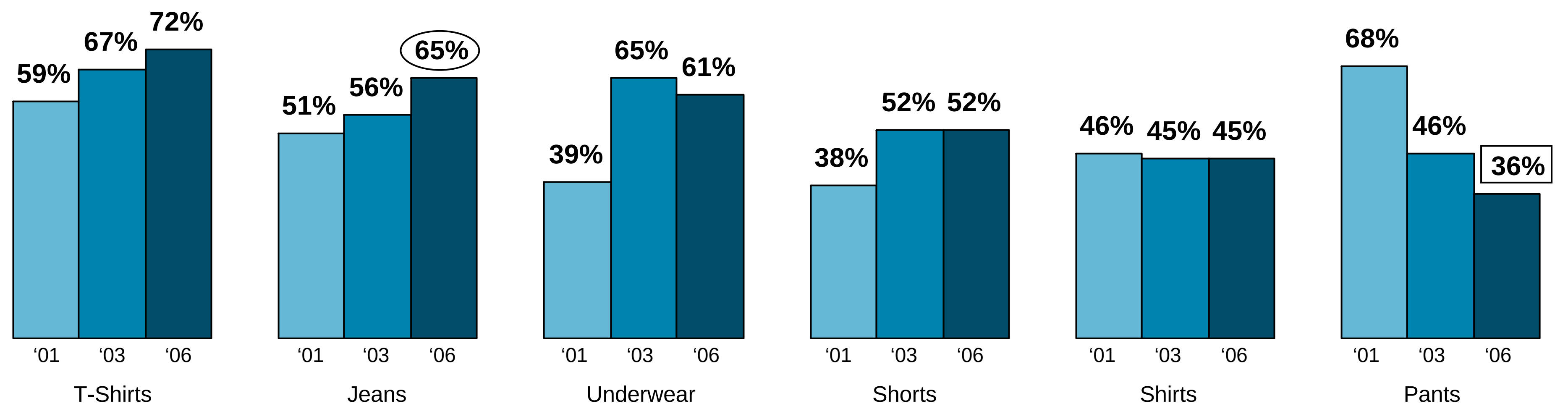


M Significantly greater than men at the 95% confidence level

Shopping and Fashion - Brazil

In the past three months, a majority of shoppers have bought t-shirts, jeans, and underwear. Jeans have increased significantly as a top item purchased. Alternatively, the number who have purchased pants has declined significantly.

Top Items Purchased In Past Three Months*

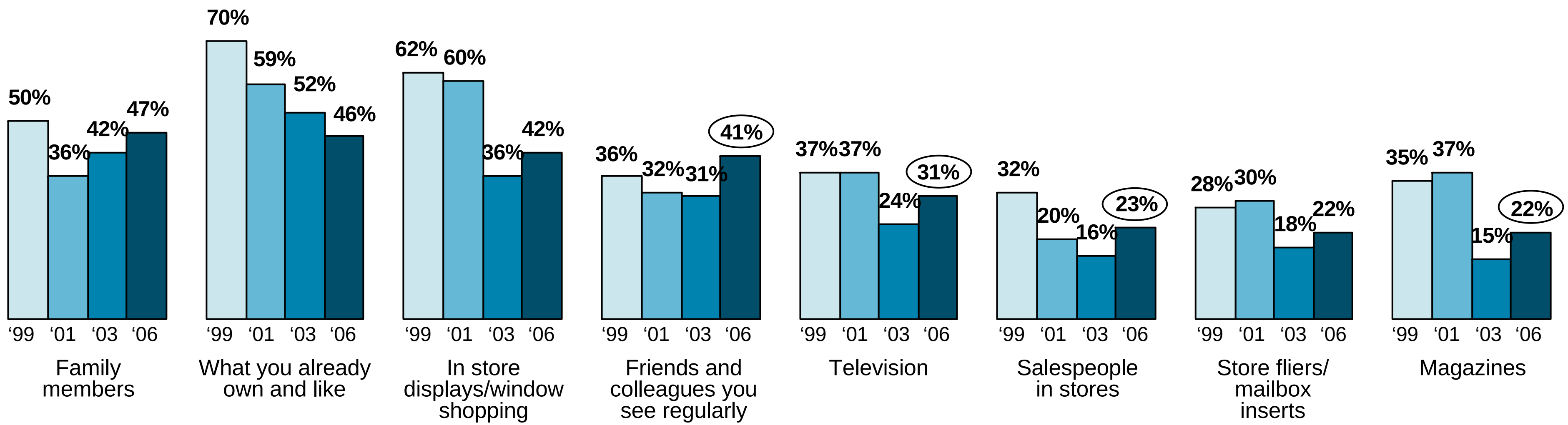


* Question not asked in GLM I - 1999
⬭ Significantly higher than GLM III at the 95% confidence level
▭ Significantly lower than GLM III at the 95% confidence level

Shopping and Fashion - Brazil

Brazilians rely mostly on family members and what they already own/like as the key sources for where they get their inspiration. Several sources have significantly risen in popularity since 2003, including television and magazines.

Place Where Consumers Get Ideas For Clothes



Significantly higher than GLM III at the 95% confidence level

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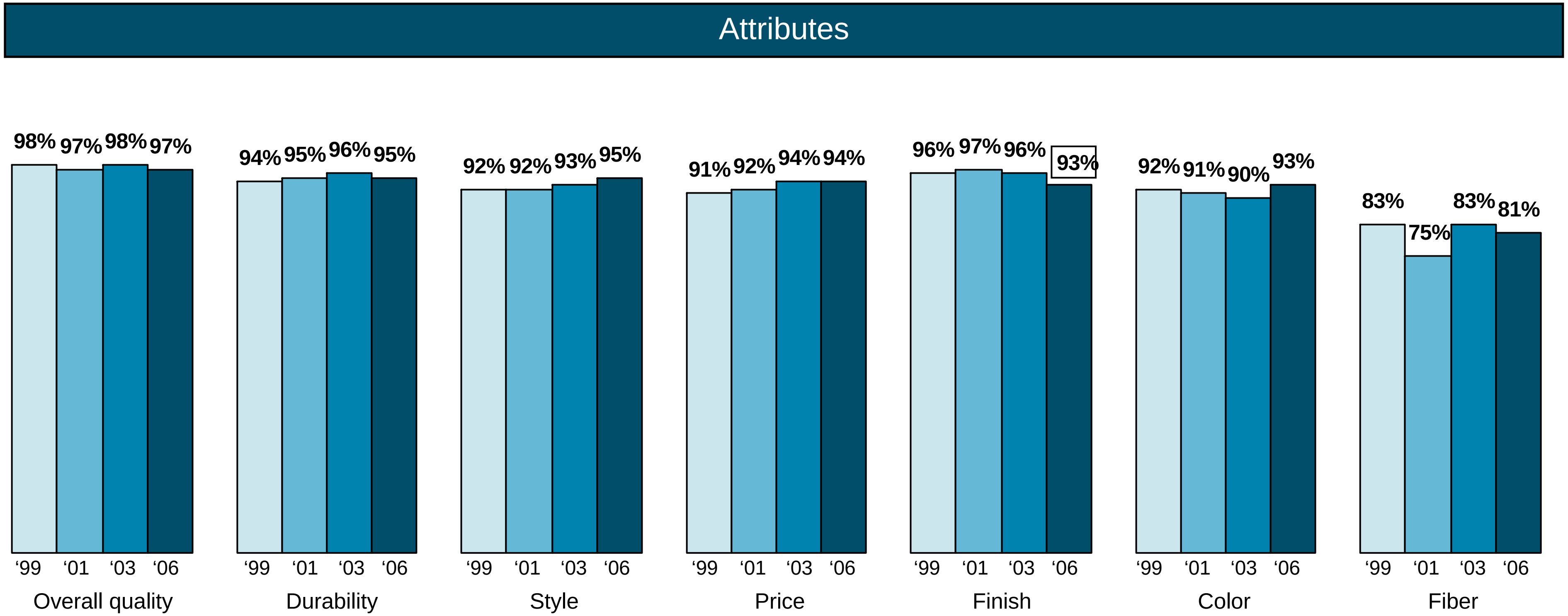
Shopping and Fashion - Brazil

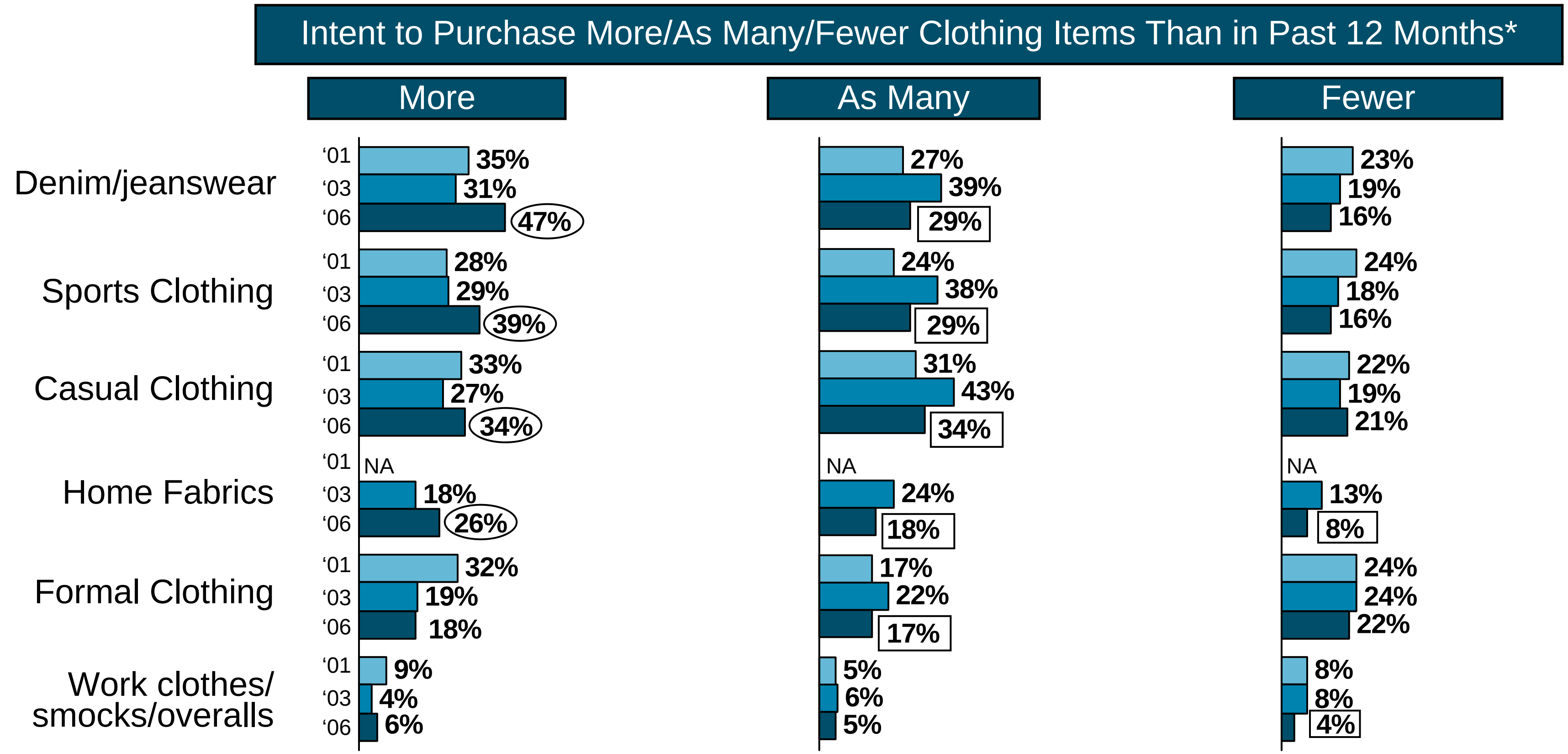
Similar to the past, Brazilians continue to rank each attribute high in importance, with more than 90% citing that the overall quality, durability, style, price, finish, and color are major pieces of information to know prior to purchasing clothing. Fiber continues to be ranked less important than the other attributes.



Significantly lower than GLM III at the 95% confidence level

Shopping and Fashion - Brazil

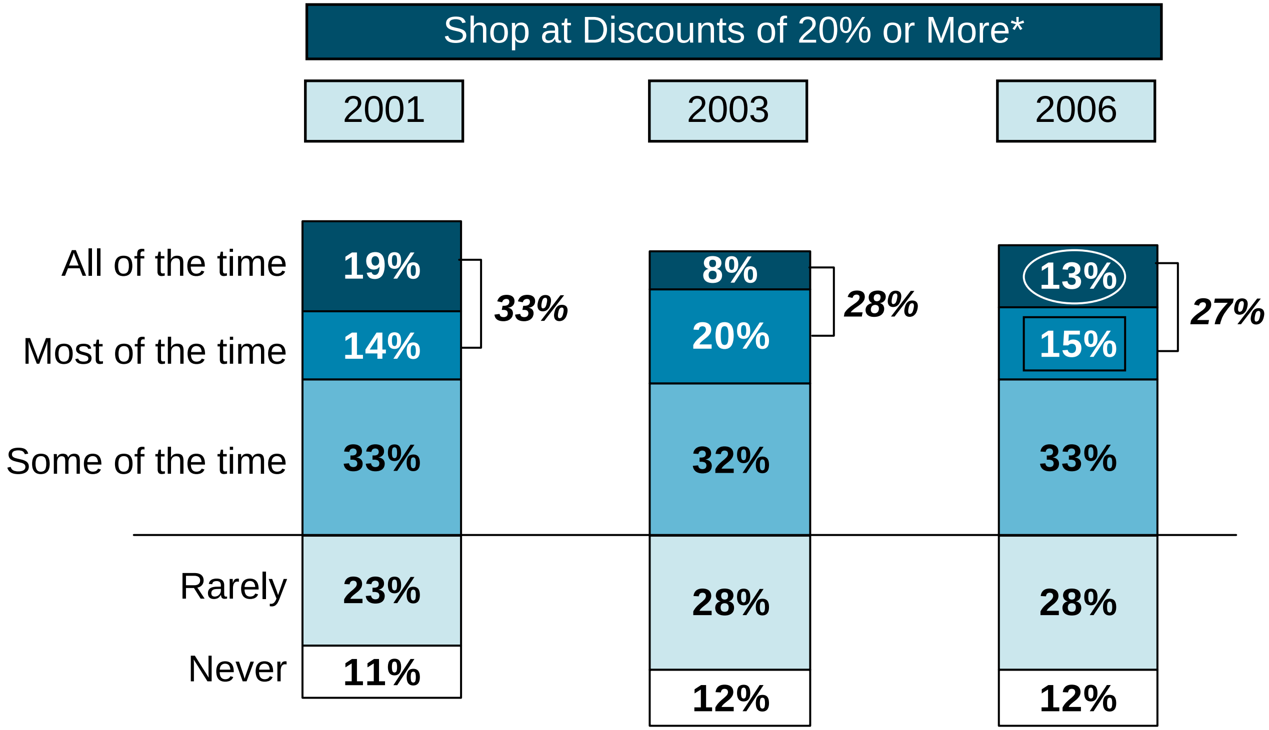
Compared to the past 12 months, shoppers are likely to buy significantly more of various type of clothing, including denim/jeans wear, sports clothing, casual clothing, and home fabrics.



NA Not asked
* Question not asked in GLM I - 1999
Significantly higher than GLM III at the 95% confidence level
Significantly lower than GLM III at the 95% confidence level

Shopping and Fashion - Brazil

Less than one-third of all respondents buy discount clothing all the time/most of the time. Only 12% never do so. One-third buy clothing at discounts some of the time.



* Question not asked in GLM I - 1999
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Quality and Fibers - Brazil

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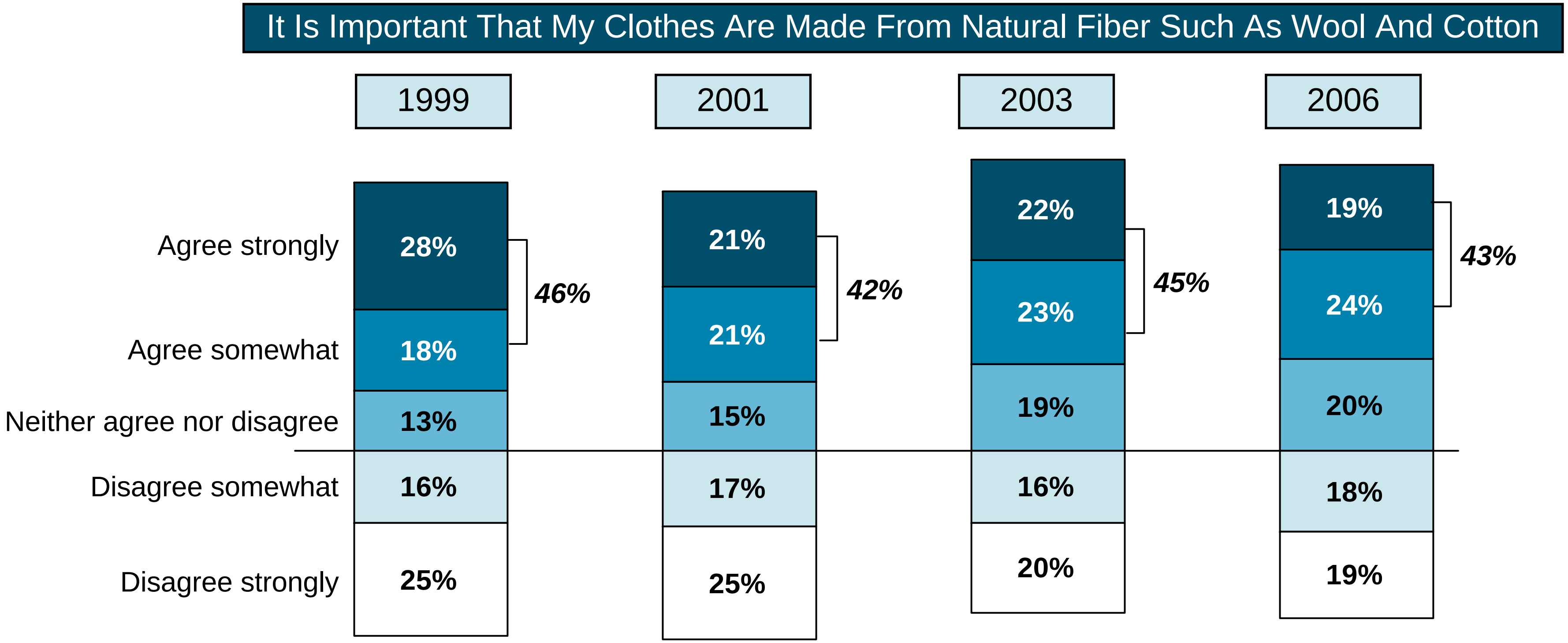
Quality and Fibers - Brazil

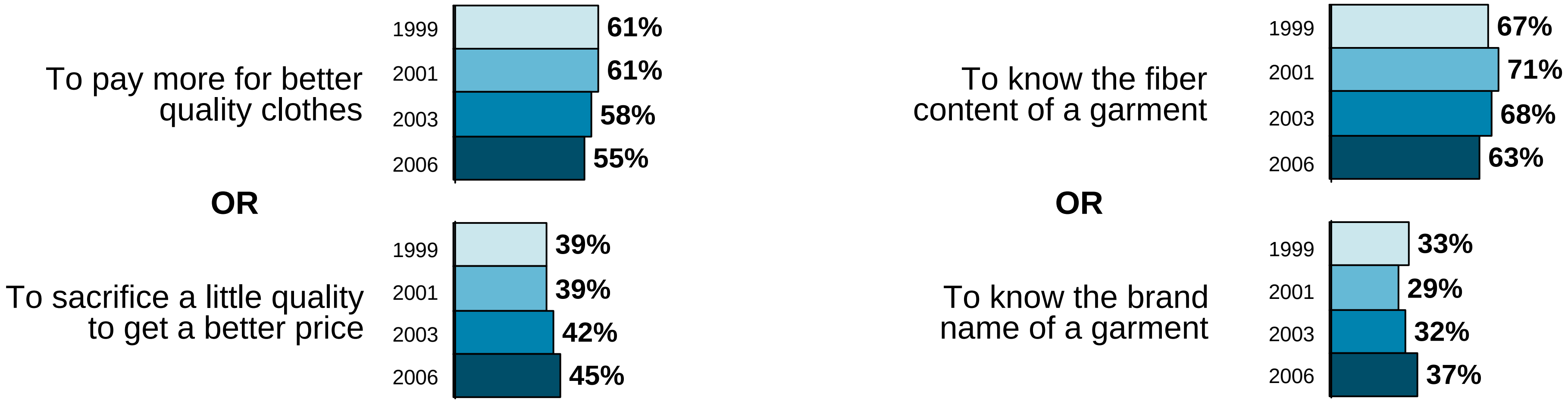
Within the Brazilian marketplace there appears to be relatively little change in attitudes toward the importance of natural fibers; 43% of Brazilians agree that it is important that clothes are made from natural fiber such as wool or cotton, similar to the 45% seen in 2003.



Quality and Fibers - Brazil

Opinions regarding fiber content versus brand name have not changed significantly, with approximately two-thirds of respondents preferring to know the fiber content rather than the brand name and more than half willing to pay more for better quality clothes.

Preferences



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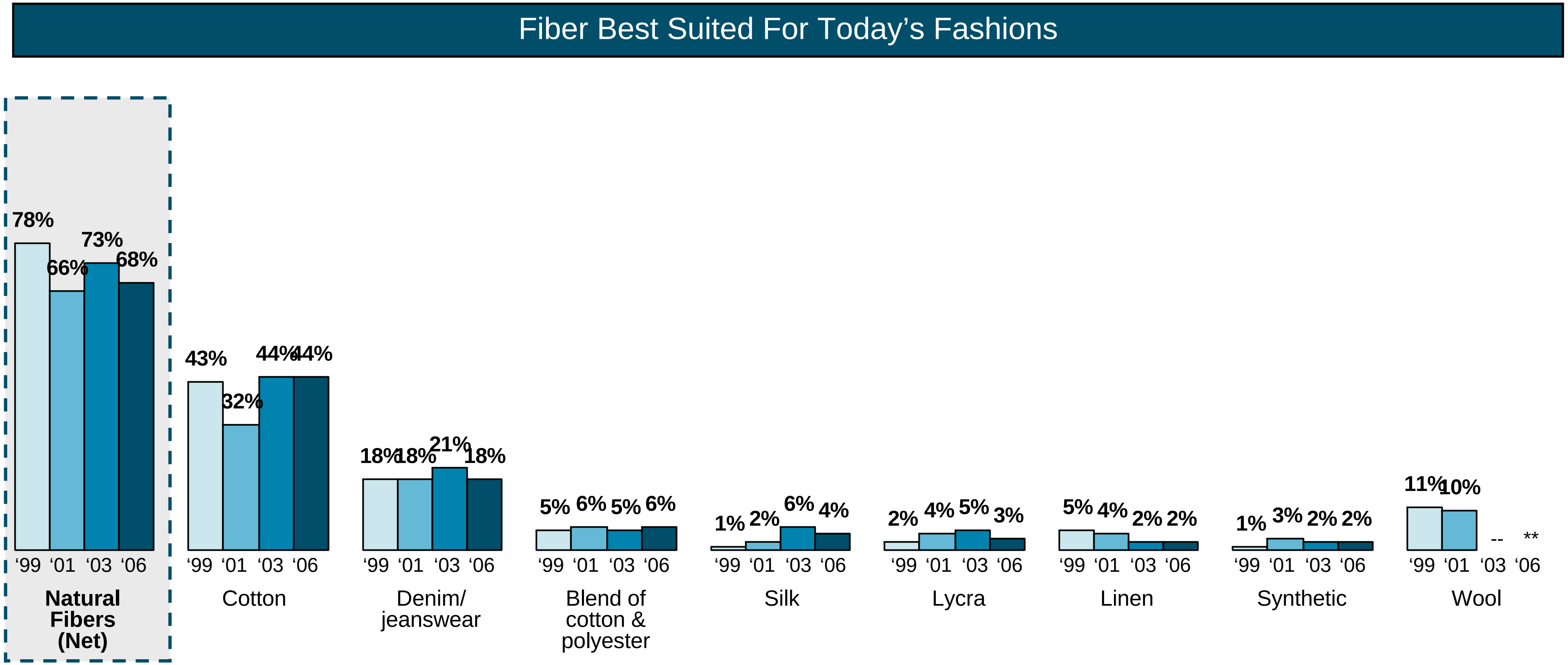
Quality and Fibers - Brazil

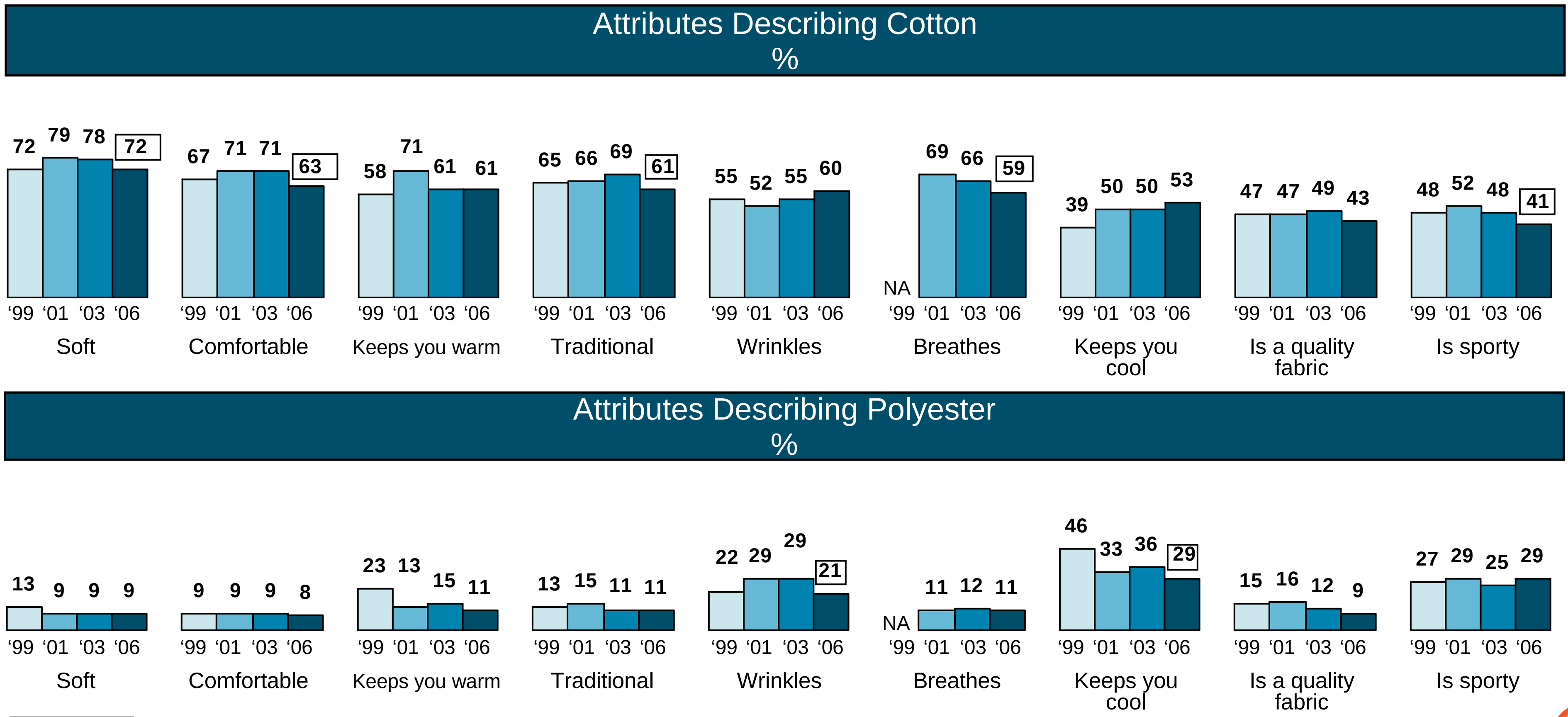
Brazilians state that natural fibers are best suited for today's fashions; cotton is still seen as best.



** Less than 0.5%

Quality and Fibers - Brazil

In comparison to polyester, cotton is ranked significantly higher in many important attributes, including being soft and comfortable.

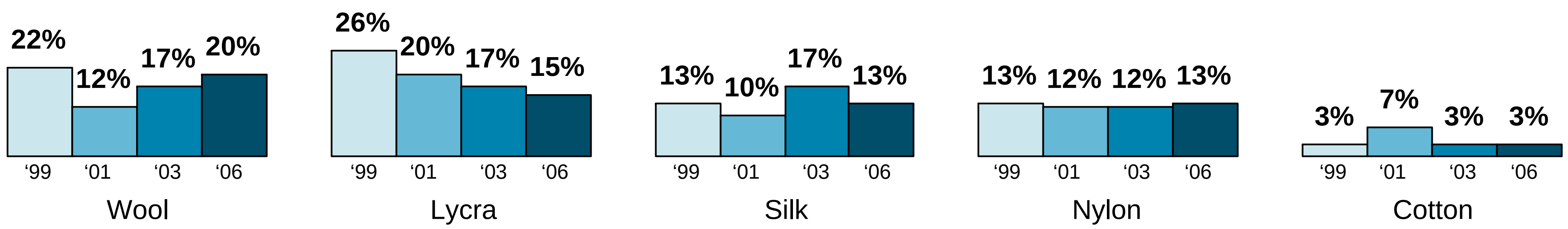


NA Not asked
Significantly lower than GLM III at the 95% confidence level

Quality and Fibers - Brazil

Wool and lycra are the fibers avoided most, followed by silk and nylon. Only 3% avoid cotton, identical to what was reported in 2003.

Fiber Avoided When Purchasing Clothing
(Among Those Who Said They Avoid Particular Fibers)



Casual Dressing - Brazil

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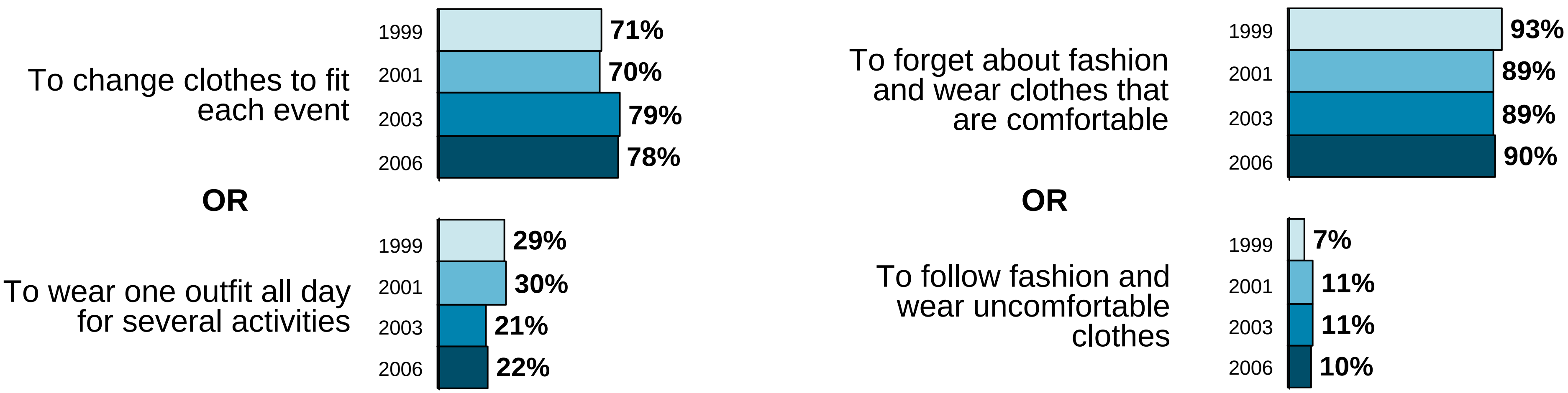
Casual Dressing - Brazil

More than three-quarters of shoppers prefer to change clothes throughout the day to fit each event, and 90% would prefer to sacrifice fashion for comfort.

Preferences



Denim & Stretch - Brazil

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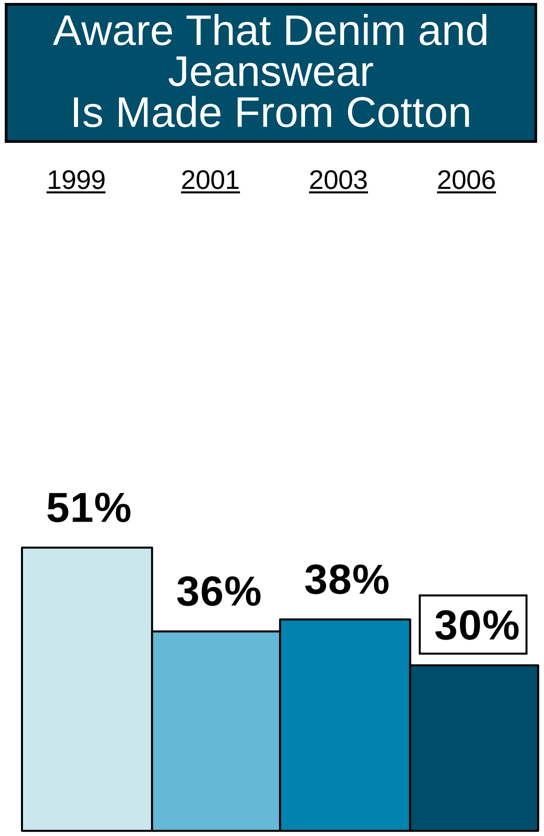
Denim & Stretch - Brazil

The percentage of Brazilians who are aware that denim and jeans wear is made from cotton has significantly declined since 2003.

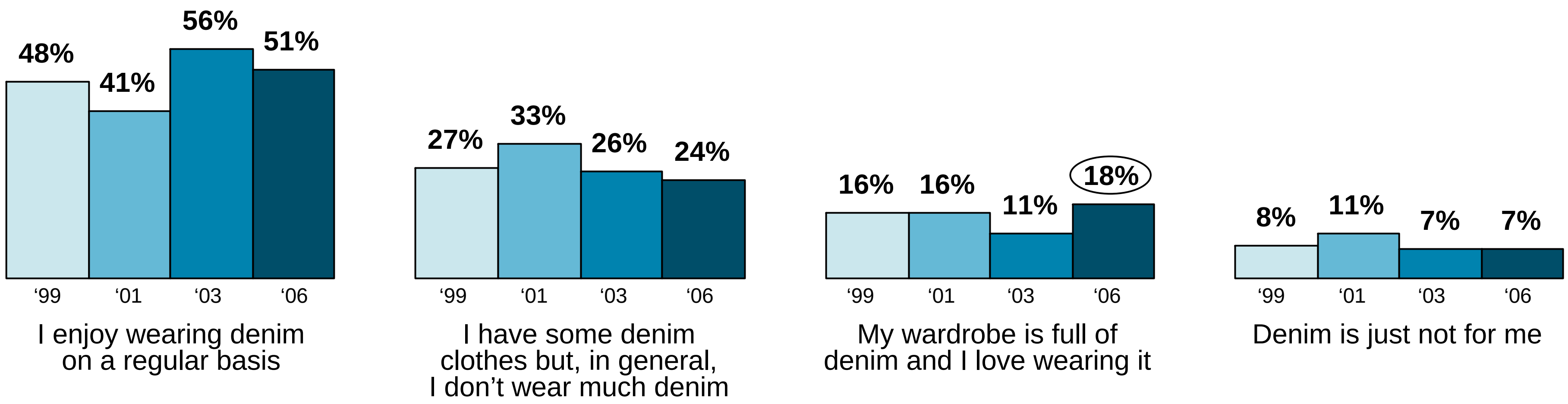


Significantly lower than GLM III at the 95% confidence level

Denim & Stretch - Brazil

Half of Brazilians enjoy wearing denim on a regular basis. There is a significant increase in the percentage of respondents that state that their wardrobe is full of denim and that they love wearing it.

Attitudes Towards Denim/Jeans wear

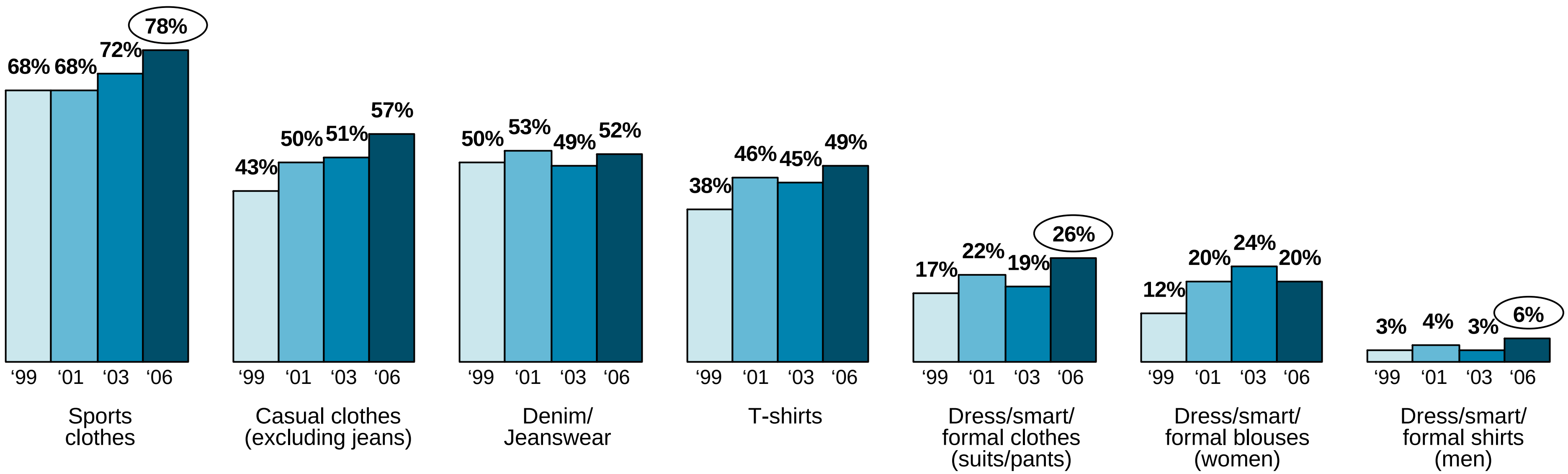


Significantly higher than GLM III at the 95% confidence level

Denim & Stretch - Brazil

An increasing percentage of Brazilian shoppers feel it is important that sports clothing and men's shirts have stretch or elastic fabric in them. Three-quarters of Brazilians feel stretch fabrics are important in sports clothing, while more than half of shoppers say they belong in casual clothes and jeans.

Think It's Important To Have *Stretch* or *Elastic Fabric* In Certain Types of Clothing



Significantly higher than GLM III at the 95% confidence level

Recommendations - Brazil

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Recommendations - Brazil

Brazilian shoppers, as compared to other countries surveyed, tend to buy clothes more for the finish and the price, and they tend to read fiber content labels less often. This can be an opportunity for a marketing strategy based on increased awareness of cotton and looking for the cotton label.

- Since Brazilians report a high number of casual days for work and intend to have increased purchases in cotton based products (t-shirts, underwear, jeans), a campaign based on associating cotton with business attire could benefit perceptions.
- A large percentage of shoppers are willing to sacrifice quality for a better price. Education on how quality clothes last longer and increased awareness on the importance of fiber content can benefit cotton sales.
- Jeans are incredibly popular in Brazil and they wear them more than most countries. However, there is an increase in those who are not aware that denim is made from cotton. A campaign centered around denim being made from cotton and the importance is recommended.
- Marketing tactics for cotton can be improved in chain stores where most shopping is done.