

Global Lifestyle Monitor IV – Germany Report

Prepared for Cotton Council International

Prepared by Synovate

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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 – Germany

Fieldwork in Germany was conducted by Synovate from March 1st to March 15th, 2006. 500 respondents in total were surveyed via telephone interviewing.

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 set soft quotas by gender, targeting 200 males and 300 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 conducted in 2006.

Store Examples Used During Interviewing:

- Department stores (e.g., Karstadt, Kaufhof)
- Chain stores (e.g., C&A, Ansons, Peek und Cloppenburg, Wöhrl)
- Hypermarkets/Warehouse Clubs (e.g., Real Kauf, Allkauf, Metro, Ratio, Wal Mart, Aldi)
- Chain/Specialty shops outside of department stores (e.g., Hennes & Mauritz, Benetton, Esprit, Stefanel, Zara, Mango, Gap, Biba Pariscope)
- Off-price/Discount stores (e.g., Adler)
- Sports/Sporting good stores (e.g., Footlocker, Voßwinkel, Karstadt Sport)
- Catalogs/mail order (e.g., Otto, Quelle, Neckermann, Bader, Wenz)
- TV home shopping (e.g., QVC)

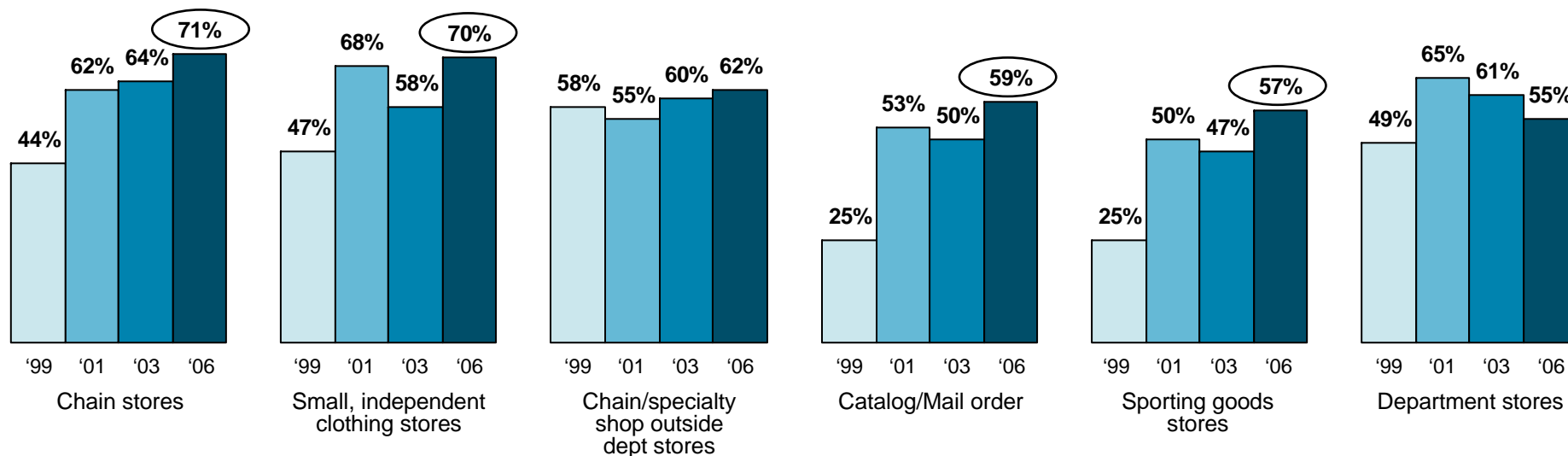
Base: Total Respondents: 1999 (n=500); 2001 (n=500); 2003 (n=500); 2006 (n=500)

Shopping and Fashion - Germany

Shopping and Fashion - Germany

Among Germans, there is a significant increase in the usage of chain and small independent clothing stores to buy clothes for themselves. These type of stores currently dominate the marketplace. In addition, catalog/mail order and sporting goods stores have also increased while department store usage is declining.

Stores And Places Used To Buy Clothes For Yourself



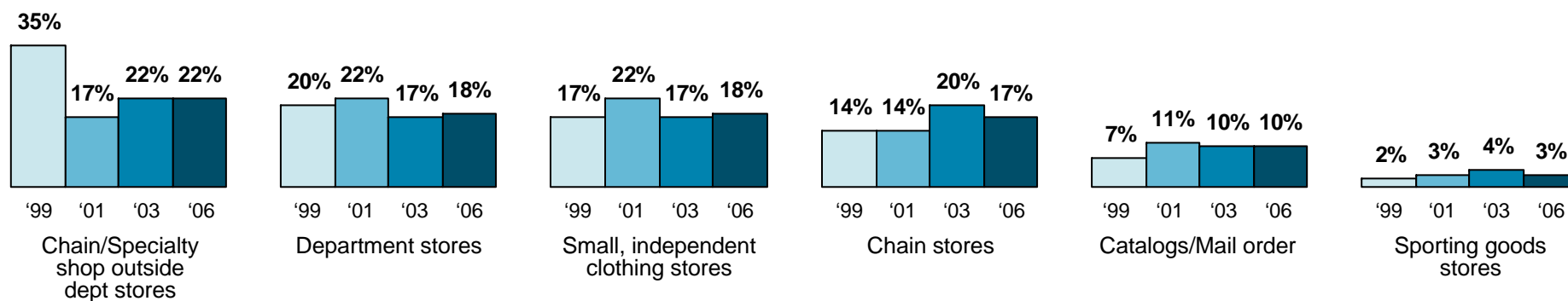
○ Significantly higher than GLM III at the 95% confidence level



Shopping and Fashion - Germany

The rising usage of chain and specialty shops outside of department stores is reflected through those who are buying a majority of their clothing at these types of stores. While sporting goods stores have significantly increased in usage, they are still the least used for purchasing most clothing.

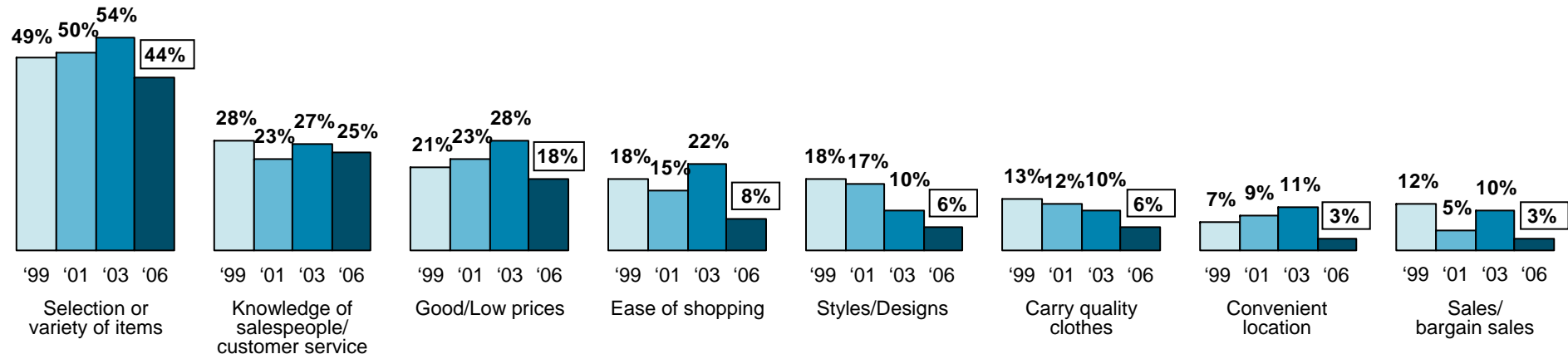
Stores and Places Used To Buy Most Of Your Clothes



Shopping and Fashion - Germany

Overall, attitudes among German shoppers have shifted as there has been a significant decline in several key clothing store attributes. The selection and variety of items available continues to be the main reasons for liking a particular clothing store, but having knowledgeable sales people and good customer service has superseded the importance of good/low pricing, which decreased significantly since 2003.

Clothing Store Attributes

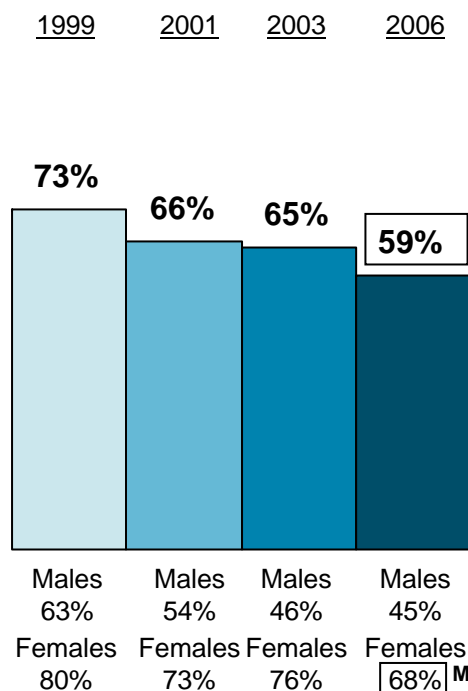


□ Significantly lower than GLM III at the 95% confidence level

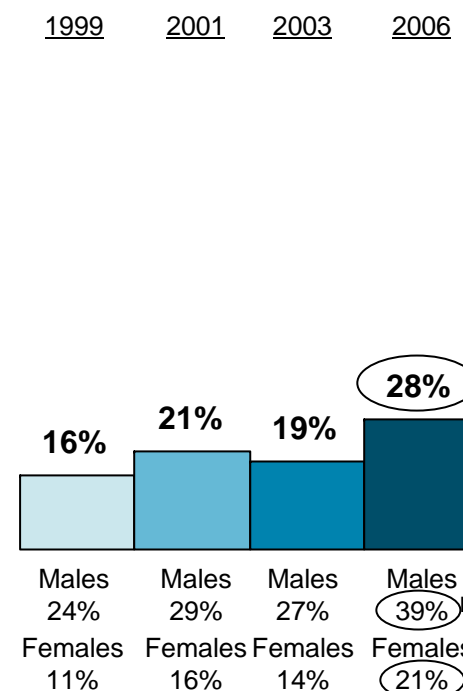
Shopping and Fashion - Germany

Germans' attitudes toward shopping have significantly changed since 2003. The percentage of those who love clothes shopping has declined while the percentage of those who dislike it has increased. This trend is largely driven by the female population.

Love/Somewhat Like Clothes Shopping



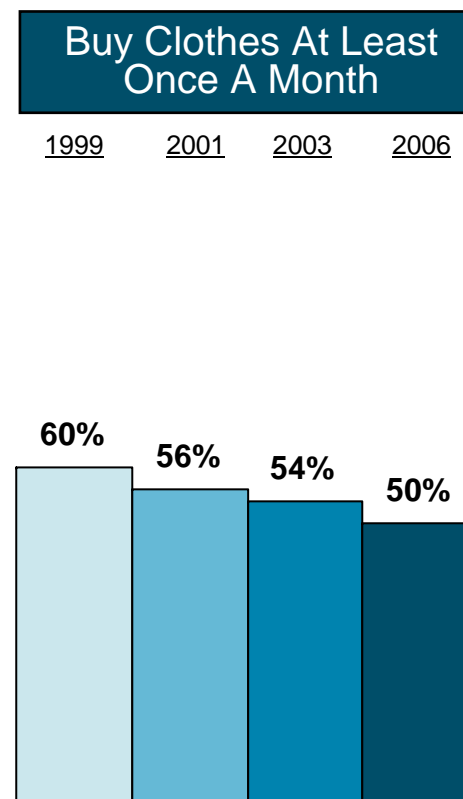
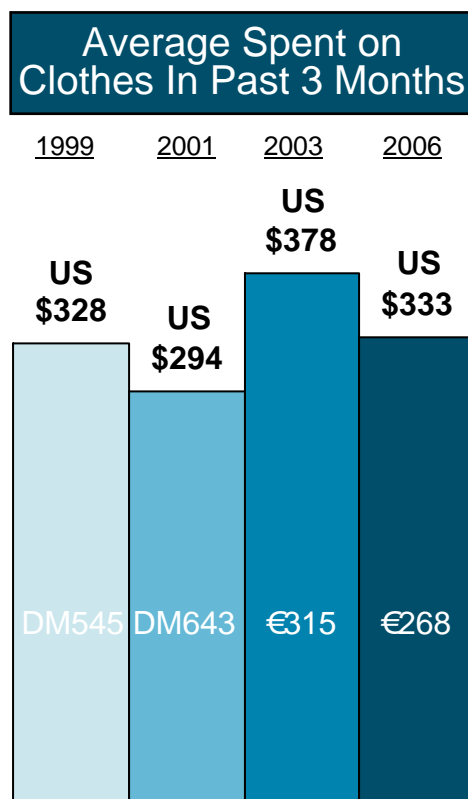
Neither Like Nor Dislike



- Significantly higher than GLM III at the 95% confidence level
- Significantly lower than GLM III at the 95% confidence level
- F** Significantly higher than women at the 95% confidence level
- M** Significantly higher than men at the 95% confidence level

Shopping and Fashion - Germany

There is a decline in the amount of money Germans spend on average relative to 2003. Females also declined in the frequency with which they buy clothes while males have remained the same as in 2003.



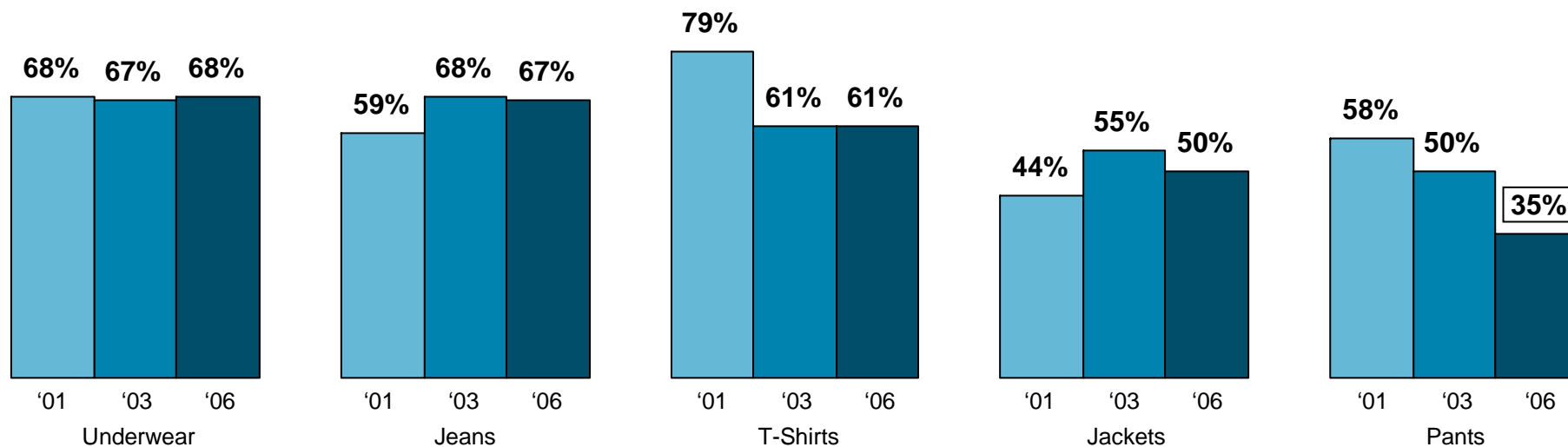
☐ Significantly lower than GLM III at the 95% confidence level

Males	65%	Males	53%	Males	47%	Males	47%
Females	63%	Females	58%	Females	60%	Females	52%

Shopping and Fashion - Germany

Underwear, jeans, t-shirts, and jackets continue to comprise the largest percentage of items purchase by German shoppers in the past 3 months. The purchase of pants has significantly declined since 2003.

Top Items Purchased In Past Three Months*



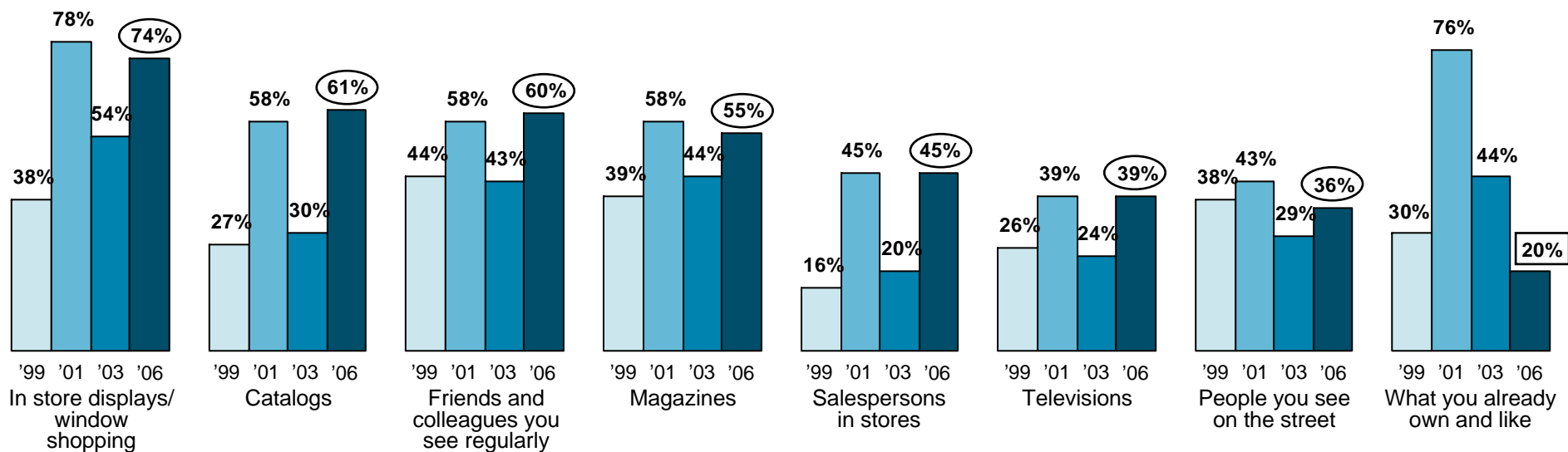
□ Significantly lower than GLM III at the 95% confidence level

* Question not asked in GLM I-1999

Shopping and Fashion - Germany

Consumers in Germany still prefer to have a variety of sources to get their ideas from regarding fashion. A significantly higher percentage are using catalogs and in-store displays/window shopping for inspiration.

Place Where Consumers Get Ideas For Clothes

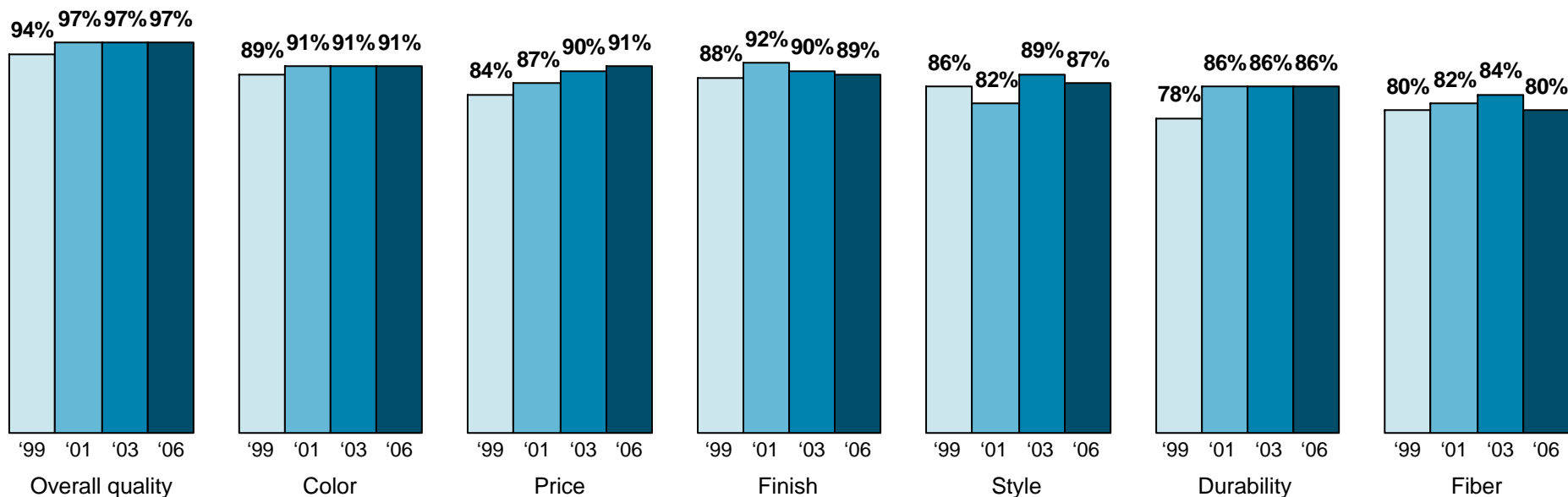


○ Significantly higher than GLM III at the 95% confidence level
 □ Significantly lower than GLM III at the 95% confidence level

Shopping and Fashion - Germany

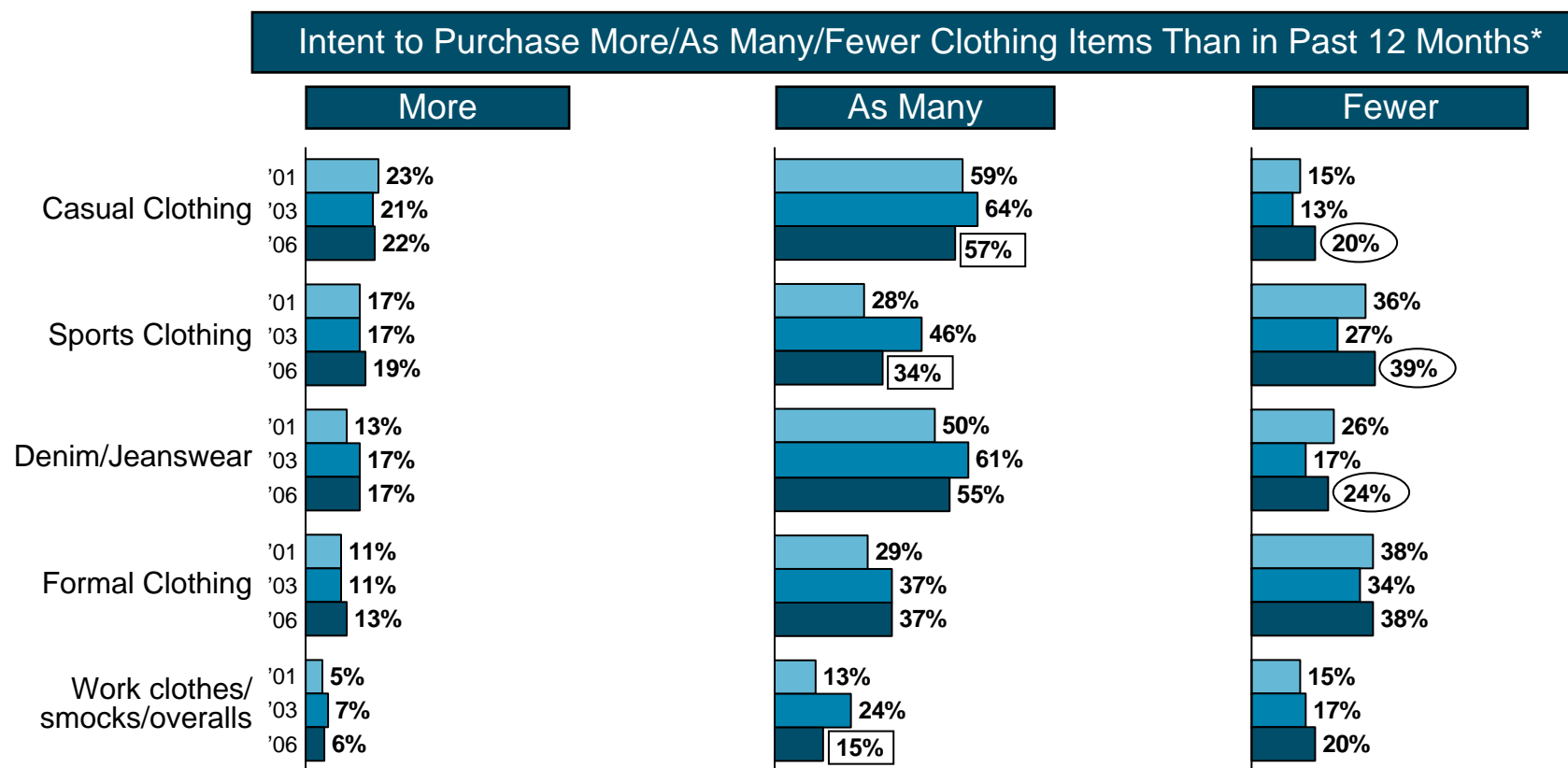
When shopping for clothing, Germans place a lot of emphasis on several key attributes in deciding whether or not to purchase clothing. Overall quality continues to register as the highest contributor to the decision making process.

Attributes



Shopping and Fashion - Germany

A larger percentage of German consumers in 2006 are going to purchase fewer casual clothing, sports clothing, and denim/jeans wear compared to 2003. There continues to be approximately one-fifth who will increase their casual clothing purchases in the future.



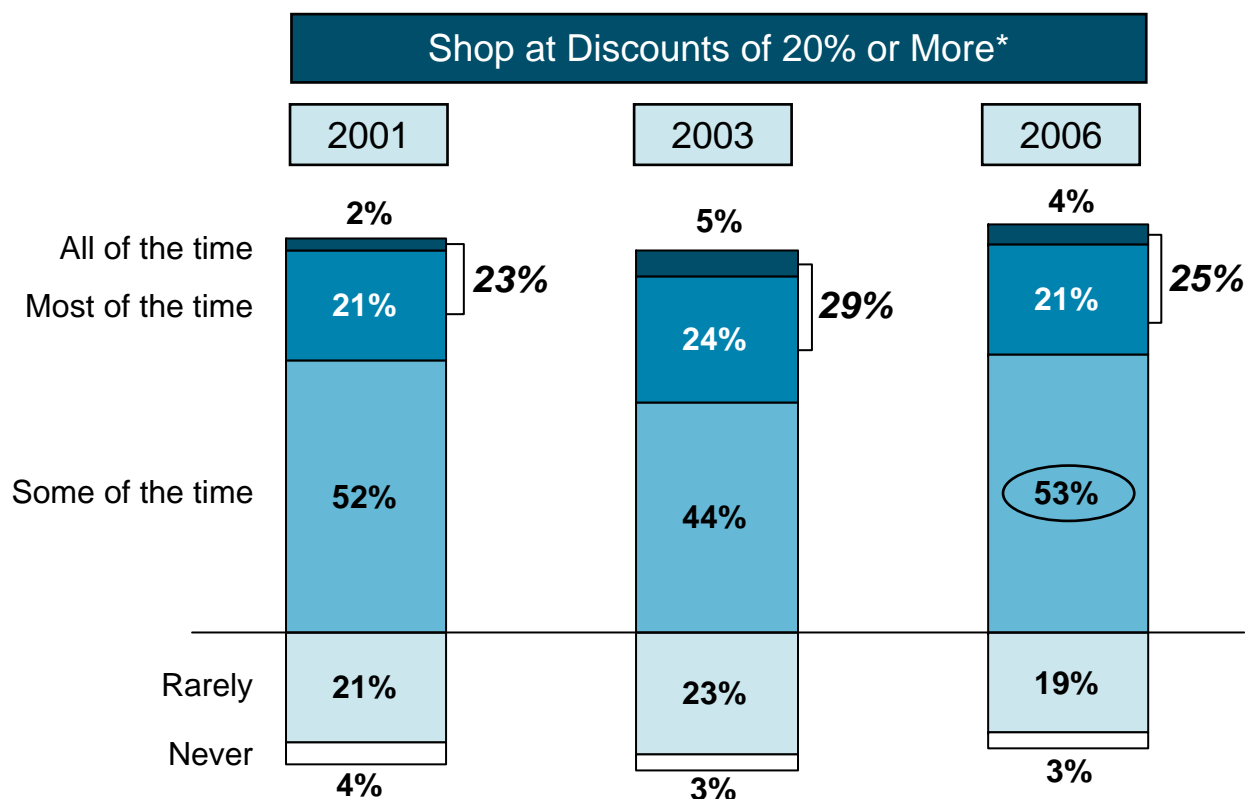
* Question not asked in GLM I - 1999

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

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

Shopping and Fashion - Germany

Less than one-third of all respondents buy discount clothing all the time/most of the time. Only a small percentage of people never do so. There was a significant increase in 2006 among those who shop at discount stores at least some of the time.



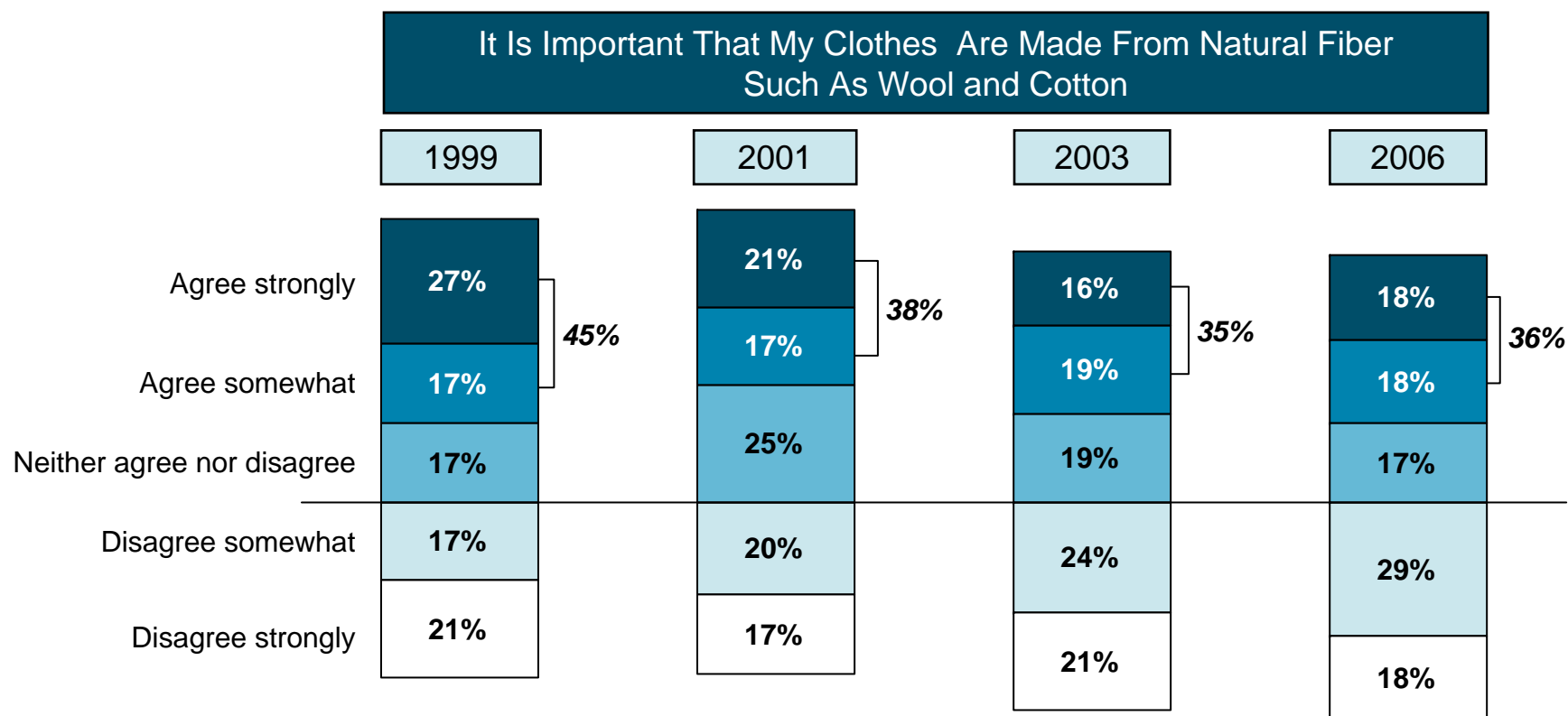
* Question not asked in GLM I-1999

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

Quality and Fibers - Germany

Quality and Fibers - Germany

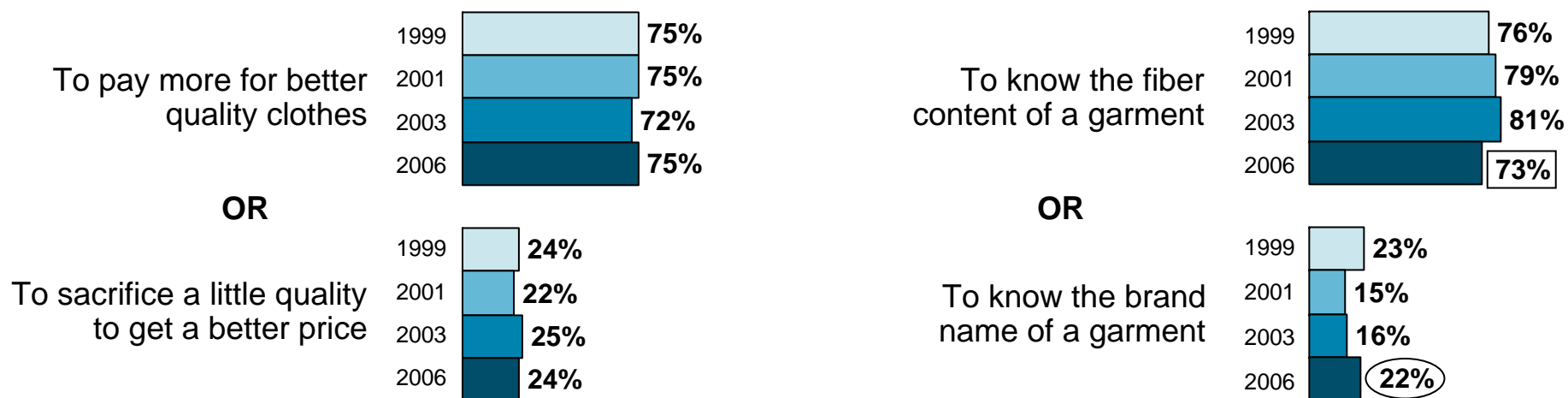
Within the German marketplace there appears to be relatively little change in attitude toward the importance of natural fibers. A higher percentage of German respondents agree that it is important that clothes are made from natural fiber such as wool or cotton. There has been an increase in the percentage agreeing that quality clothes are made from 100% natural fibers.



Quality and Fibers - Germany

Opinions regarding fiber content versus brand name have slightly changed since 2003, with fewer respondents preferring to know the fiber content rather than the brand name. In addition, a majority would pay more for better quality clothing rather than sacrifice quality for a better price.

Preferences

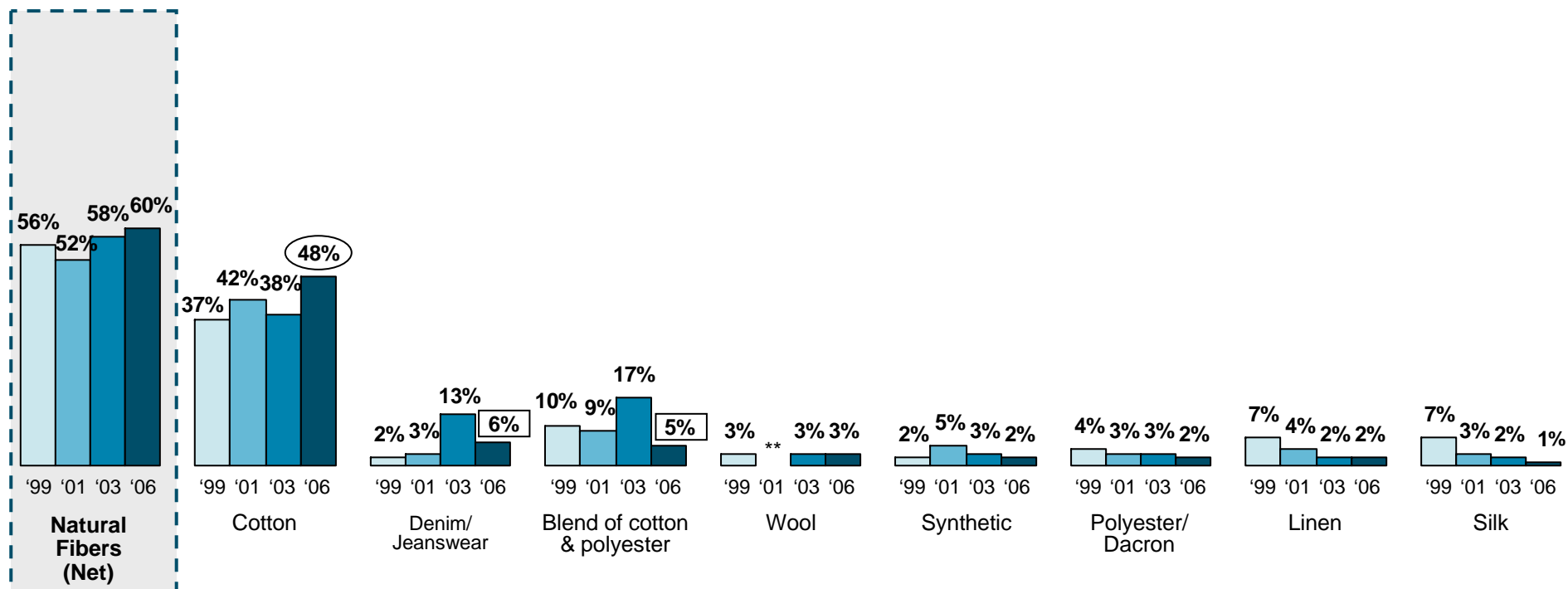


○ Significantly higher than GLM III at the 95% confidence level
 □ Significantly lower than GLM III at the 95% confidence level

Quality and Fibers - Germany

Germans feel that many fibers are best suited for today's fashions; cotton, which is higher than in 2003, is still seen as best with no other fabric running a close second.

Fiber Best Suited For Today's Fashions



** Less than 0.5%

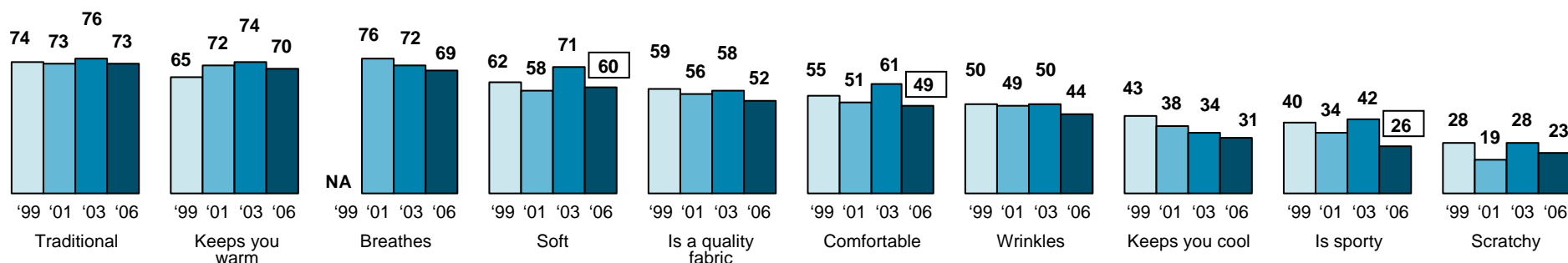
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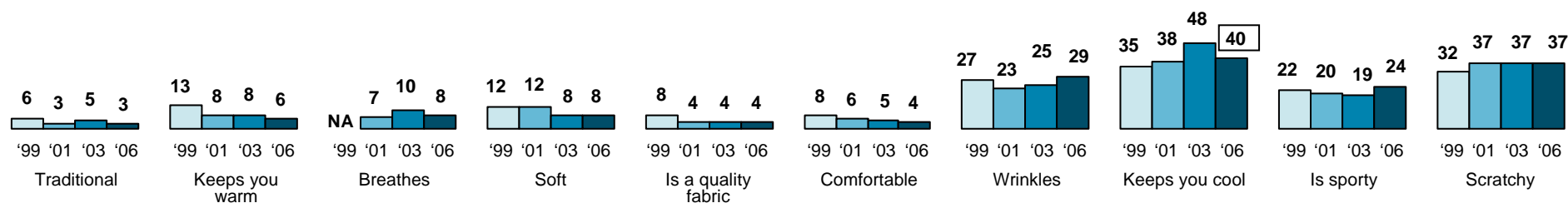
Quality and Fibers - Germany

In comparison to polyester, cotton is ranked significantly higher in many important attributes. Cotton is associated with being more traditional, breathing, and keeping warm. Polyester has little association with those attributes.

Attributes Describing Cotton %



Attributes Describing Polyester %



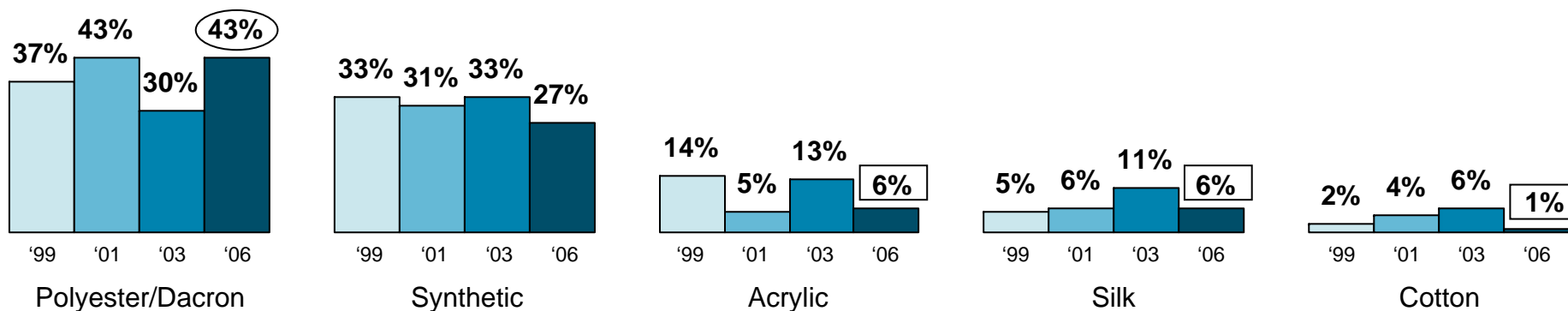
NA Not asked

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

Quality and Fibers - Germany

Among those who avoid particular fibers when purchasing clothing, there is a significant increase in those who are avoiding polyester particularly. Cotton has declined in the percentage who avoid this fiber.

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

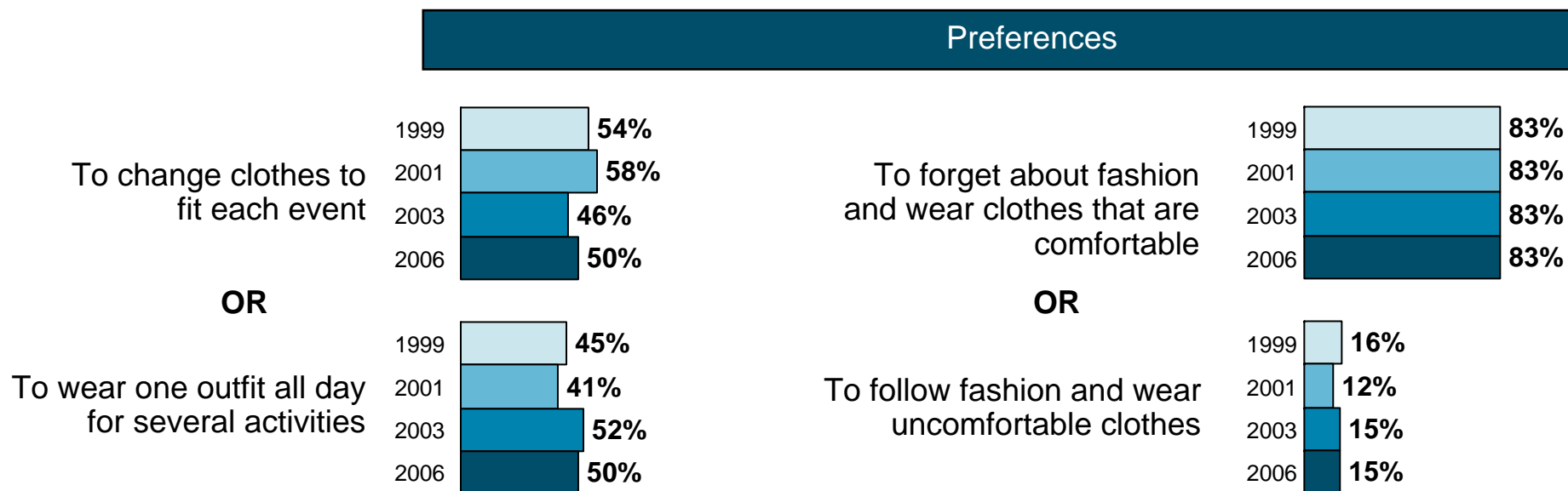


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Casual Dressing - Germany

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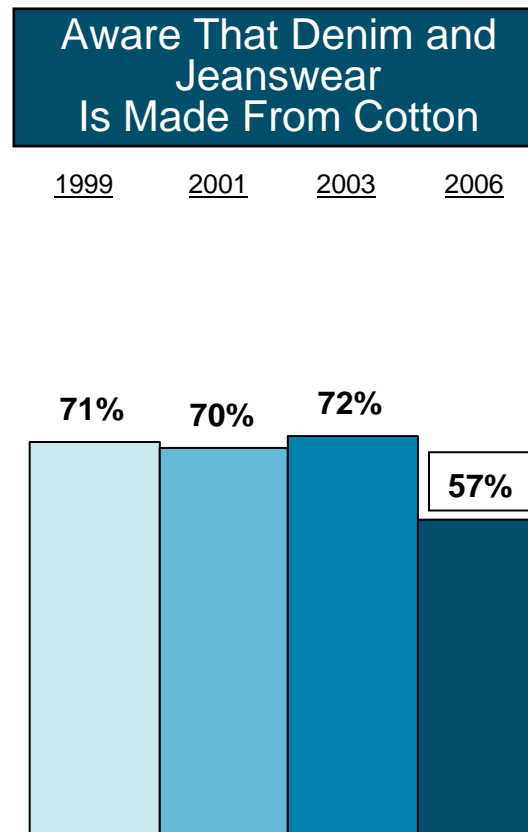
Germans continue to be equally divided among those who prefer to change clothes to fit each event versus those who would prefer to wear one outfit all day for several activities. The majority prefer to forget about fashion and wear comfortable clothes rather than following fashion trends and being uncomfortable.



Denim & Stretch - Germany

Denim & Stretch - Germany

There is a significant decline in the percentage of those who are aware that denim and jeanswear is made from cotton.

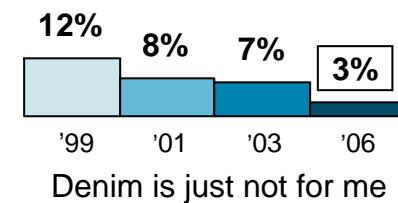
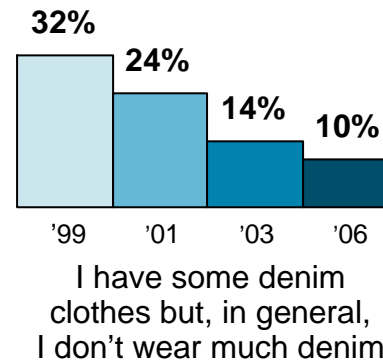
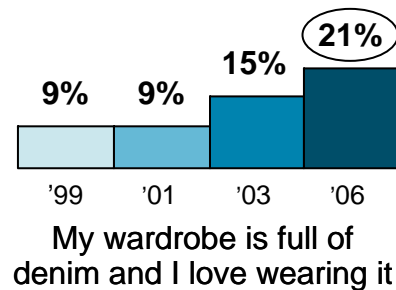
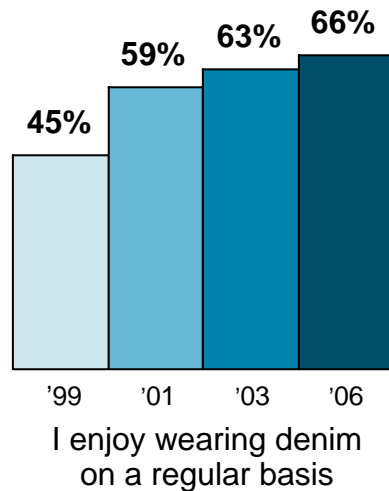


Significantly lower than GLM III at the 95% confidence level

Denim & Stretch - Germany

Despite the decline in awareness that denim and jeanswear is made from cotton, two-thirds of Germans enjoy wearing denim on a regular basis.

Attitudes Towards Denim/Jeans wear

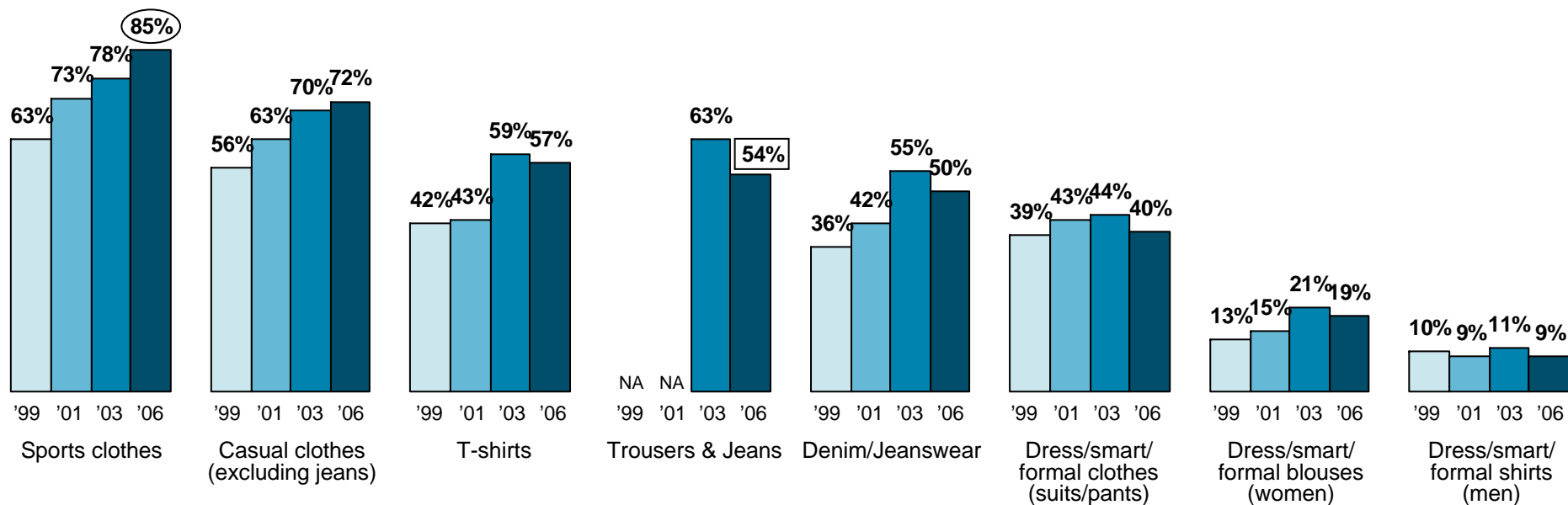


○ Significantly higher than GLM III at the 95% confidence level
 □ Significantly lower than GLM III at the 95% confidence level

Denim & Stretch - Germany

There continues to be an attitude in Germany that it is important to have stretch or elastic fabric in certain types of clothing. Sports clothing, casual clothing (excluding jeans), and t-shirts lead the list of clothing types.

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



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

Recommendations - Germany

Recommendations - Germany

Germany has decreased their spending on clothing by 12% since the past wave. This decrease will remain static in the future as there is no plan to increase spending or purchasing behaviors; there is even an increase in those who plan to buy fewer clothing items in the next year. Currently, Germany has one of the highest average spending allowances where a majority is spent on casual clothes, but opportunity lies in the types of purchases being made.

- Inspiration comes from a multitude of sources in Germany. Cotton campaigns can benefit from advertising product quality in those sources that have had the most movement in the industry, such as catalogs and in-store window displays.
- Cotton has a negative perception of being “traditional” in a culture that is moving away from traditional clothing. This can be countered by continuing to encourage the trend of cotton products rather than blends.
- Germans certainly know about their jeans. They have the second highest percentage who know that denim comes from cotton, and they wear jeans more often than those in other countries. There is, however, a decline in awareness that needs to be countered, and this is an opportunity for cotton to be equated with non-traditional fashion and to raise awareness.