

PRESENTATION de Monsieur Jon DEVINE, Cotton incorporated
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- Cotton - natural fiber, not always a natural choice

Why cotton promotion?

Cotton is the world's oldest fiber and is loved in apparel and home textiles across the world for some 8,000 years. However, as we celebrate the qualities of cotton in this year of natural fibers, we must also acknowledge that cotton is not always the natural choice.

Being a natural fiber, cotton can have inconsistent qualities. As you are all well aware, natural inconsistencies in qualities such as fiber length, fiber strength, and fiber color pose problems and potential costs for spinners and textile manufacturers downstream. Meanwhile, synthetic fibers can be produced according to the production specifications desired.

-This chart shows how difficult the market can be for cotton. The bars show estimated market share for cotton in apparel and home textiles and one can see that when Cotton Incorporated was founded, cotton was facing severe competition from synthetics.

In response to the threat from synthetics, cotton farmers organized to do something that they had never done before – move to influence demand. As producers, farmers are typically focused on supply, but Cotton Incorporated was founded with the principle of influencing consumer preferences through promotion.

Soon after its founding, cotton's share reached an inflection point and began to grow. Today's cotton share is back to the levels above 60% that it enjoyed in the early 1960s.

-Mission of Cotton Incorporated, to increase the demand and profitability of cotton through research and promotion

-Influencing Demand, Cotton Incorporated reaches all points in the supply chain

- Agricultural and fiber research
- Cotton product development
- Consumer demand

- Global Market, Global Presence

In Cotton Incorporated's "total marketing" effort to build cotton's market share, it has also fostered substantial scientific, technological, and managerial improvements in the quality and performance of cotton to increase profitability throughout the supply chain.

By promoting profit, Cotton Incorporated has worked to enhance the efficiency of not only the farmers who grow cotton, but also all those who then transform it into fiber, then fabrics, and finally consumer goods.

-Point of Influence: Agriculture

It all starts in the fields.

- Agricultural Research , Improve Costs Yields, reduce input costs – sustainability

At the agricultural level a focus is efficiency. We work with farmers to make cotton production as efficient as possible, that means fewer inputs, which translates not only into lower costs and higher profits but also into less impact on the environment.

-To communicate the advances that have been made regarding more efficient production, we have recently launched a new website devoted entirely to the message of cotton's sustainability.

To learn more about cotton's sustainability, I would encourage you to visit our Cotton Today website.

-Promote cottonseed , Eliminating Gossypol

While efficiency and sustainability are key, Cotton Incorporated is also working to increase profitability through other measures such as finding other uses for products derived from the cotton plant. An example is research into new uses for other products derived from the cotton plant, like the cottonseed.

Cottonseed is a rich source of protein and could be used as an important food source to help feed a growing world population. Preventing human consumption of cottonseed is Gossypol, a chemical naturally produced by cotton to ward off predators. Cotton Incorporated is sponsoring research that would remove Gossypol from cottonseeds so that they can be used as a food source.

With Gossypol removed, cotton could become an important element to diets around the world and is estimated that returns to farmers from planting cotton could double or triple. This would be both ecological and efficient in that both food and fiber can be produced as cash crops from the same fields – meaning much better returns for input costs

-Point of Influence: Product Supply Chain

Building profitability at the farm is just the beginning, many efforts are focused at the product level to increase profitability at each stage in the supply chain.

Cotton Incorporated leverages market intelligence gathered from consumer surveys and retail audits to position new products designed to enhance demand for cotton in order to protect and expand market share.

-Product Supply Chain: Targeting new markets, High performance, athletic apparel

An example of how we have used market intelligence to introduce new cotton products is in the high performance athletic apparel market. The larger athletic apparel market in the U.S. has been estimated at about 1.0 million tons, which is roughly three times the entire expected crop from West Africa in 2009/10. The current share of the athletic apparel market is 38%, by targeting the high end of this market it is hoped that preferences for cotton will trickle into the larger market and improve market share.

To break into the important high-performance market, Cotton Incorporated has developed a series of moisture management innovations, including Wicking Windows and TransDry technologies, designed to capture the high-performance segment of the market. Both these technologies have been tested and shown to perform better than their synthetic counterparts – at the same time they offer the touch and feel of cotton.

-The goal is to make these products available to the trade and ultimately to consumers. Cotton Incorporated negotiates with brands across the world to release these products into the marketplace.

Both Wicking Windows and TransDry garnered significant attention at last year's Outdoor Retailer trade show and were featured in the show's publication.

Wicking Windows technology has been already been adapted by China largest athletic apparel company – Li Ning. Both Wicking Windows and TransDry are in the process of being adopted by several other brands around the world.

-Enhancing existing markets, STORM DENIM™ technology

While new markets are always a focus, the protection and expansion of existing markets is also a priority. 11% of apparel offerings at retail are denim jeans, estimated to represent 400,000 tons – which is roughly equal to the expected production from the African Franc Zone in 2009/10. To

introduce newness to denim, to keep it a product that consumers are excited about, a variety of technologies have been developed.

An example is Storm Denim. Storm Denim is a new technology that allows denim to be water resistant while maintaining its breathability. We have all been caught in the rain and ended up with wet jeans that may be slow to dry. Storm Denim allows fabric to resist water and to remain dry. For those who work outside in denim, water resistance is likely a very important feature - one that could encourage consumers to buy another pair of jeans and also to be willing to pay more for those jeans. Increasing demand and profit.

-For this reason, retailers have introduced Storm Denim into their lines. MWG, a Canadian apparel brand, has already begun to market Storm Denim jeans. Both Harley Davidson and Dickies are among the companies set to release their own Storm Denim offerings in the near future.

-Product Supply Chain - Exploring unconventional markets - nonwovens

In addition to expanding cotton's use in traditional markets like home textiles and apparel, Cotton Incorporated also looks for entirely new markets for cotton.

One of these markets is nonwovens, which includes products like baby wipes, diapers, and feminine hygiene products, where cotton naturally offers many of the same qualities as synthetics, such as absorbency, moisture wicking, and softness, while also being natural and sustainable. What could be better next to your baby's bottom than soft, sustainable, cotton?

- Point of Influence: Consumer

Demand begins and ends with the consumer. As a result, Cotton Incorporated works to remind consumers about the qualities they love about cotton and, in this year of the natural fiber, to educate them about cotton's sustainability.

- Consumer Marketing

- Fiber awareness, encouraging demand
 - Strategic multi-media, multi-channel approach
 - Concentrated in U.S. with selected international targets
 - Emphasis on environmental message

A goal is to always be forward thinking about where and how to direct marketing efforts. Our marketing research helps us to identify targets that are likely the most influential and how that we might be able to best reach that audience.

Our efforts are centered on the U.S. and allow for some targeted advertising overseas. Cotton Incorporated seeks to be innovative in its consumer marketing efforts and conducts advertising and marketing on television, in print, on the web, and also through promotional events.

-Perhaps our most well-known advertising campaign was our celebrated "Fabric of Our Lives" series. The old series was instrumental in getting cotton to be a recognized trademark. Today, 8 out of 10 Americans recognize the seal and The U.S. current U.S. advertising campaign is a slight spin on the old slogan; the recently launched "Fabric of My Life" series features three young female singers/songwriters and utilizes print, television, and internet media to spread the message about cotton to a target audience of females ages 16-24. Young females were selected because it has been shown that buying patterns and consumer preferences tend to be formed at that age and because females tend to spend more on clothes, generally buying clothes for the entire family when they get older.

-An example of an international marketing effort was the Cotton - Beyond Your Imagination campaign. This initiative was focused on bringing cotton in front of the Chinese consumer, to show them how versatile and how fashionable cotton is. The campaign featured young designers who created fashions entirely from cotton. These fashions were then showcased throughout China in a series of visits to shopping malls, which allowed for the distribution of promotional materials and were widely attended.

-The internet is an important way to access consumers. Our main website features the singers and songwriters that are central to our larger advertising campaign and supports innovative marketing techniques that allow web browsers the opportunity to learn more about the celebrities and their apparel preferences. For example, each of the singers featured in our campaign has a different interactive method where they share their clothing and design preferences by allowing web browsers to do things like look into the singers' closets and follow links to purchase the singer's suggestions.

The singers are one of many marketing tools that we offer on the internet. Cotton Incorporated operates 8 websites, each with different theme. Once again, a focus is on sustainability and the education of visitors. As a result, we offer a series of educational activities such as this sustainability game.

To extend our reach even further, we also offer websites in other languages – we currently have sites in Chinese and Spanish.

-Cotton blue to green

- Denim collection and recycling program
- Attracted extensive media coverage

An innovative promotional effort regarding cotton and the message of cotton's sustainability is the Cotton: Blue to Green campaign. The Blue to Green campaign takes place at universities across the country with the goal of educating students and their communities about the sustainability of cotton by showing how that cotton in denim jeans could be recycled into other products – in this case over 40,000 pairs of jeans were recycled into insulation that was used to rebuild homes in New Orleans devastated by hurricane Katrina.

There are many brands and retailers that also joined this effort, which attracted extensive media coverage and was picked up by local television stations and newspapers as well as widely read national publications. Already, the underlying message regarding cotton's environmental friendliness was communicated to over 1 million consumers.

-Influencing Demand

Cotton Incorporated reaches all points in the supply chain

- Agricultural and fiber research
- Cotton product development
- Consumer demand

This presentation has been a brief overview of Cotton Incorporated and covered just some examples of our promotional efforts that we conduct to increase the profitability and demand for cotton.

Our efforts begin in the fields, where we encourage efficient environmentally practices and look for new uses derived from the cotton plant. Efforts at the product development stage seek to influence and educate sourcing professionals while also developing innovative cotton products to protect and expand cotton's market share. Educating and informing consumers about cotton is a central effort and our consumer marketing strives to be fresh and creative in their approach to influencing consumer decisions.

Once again, what I am able to cover here is just the beginning. I would encourage you to visit with me and visit our many websites for further information.

-We are not alone, Cotton Incorporated was a founding member of the International Forum for Cotton Promotion and wholeheartedly supports all international cotton promotion efforts. Tied to the ICAC, the IFCP was founded in 2000 as clearinghouse for the exchange of proven ideas and strategies for the promotion of cotton. Cotton Incorporated continues to take an active role with IFCP and has sponsored multiple workshops.

