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Trade Symposium
Organic Today
February 16th, 2010 | Marzberg, Germany | ECN 096

Consumer behaviour in tough economic times

Jonathan Banks
16 February 2010
13.45-14.30

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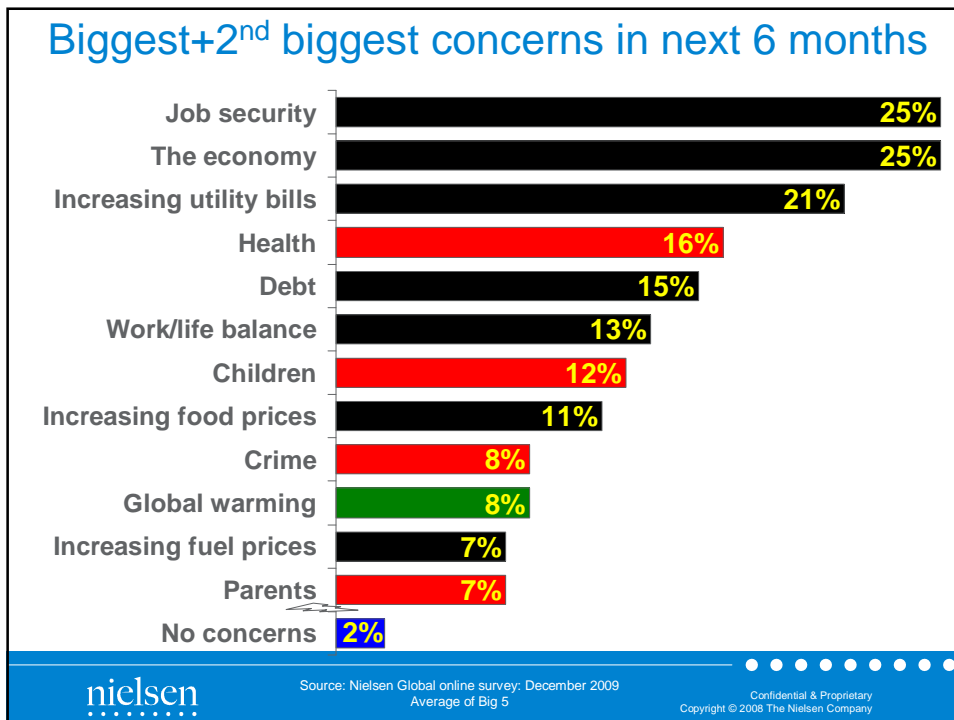
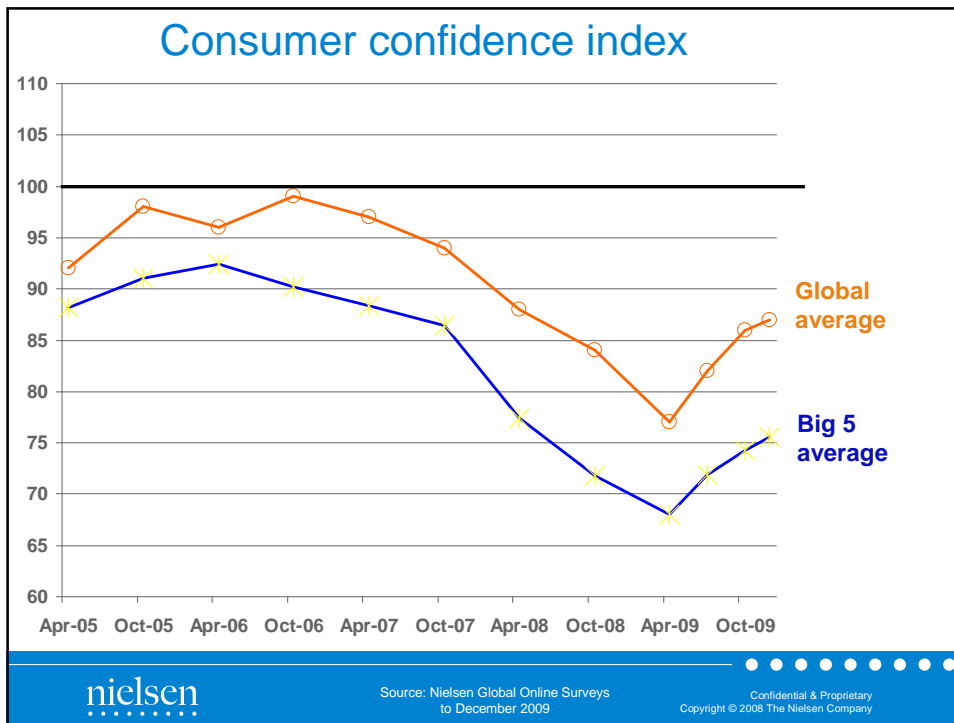
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Consumer behaviour in tough economic times

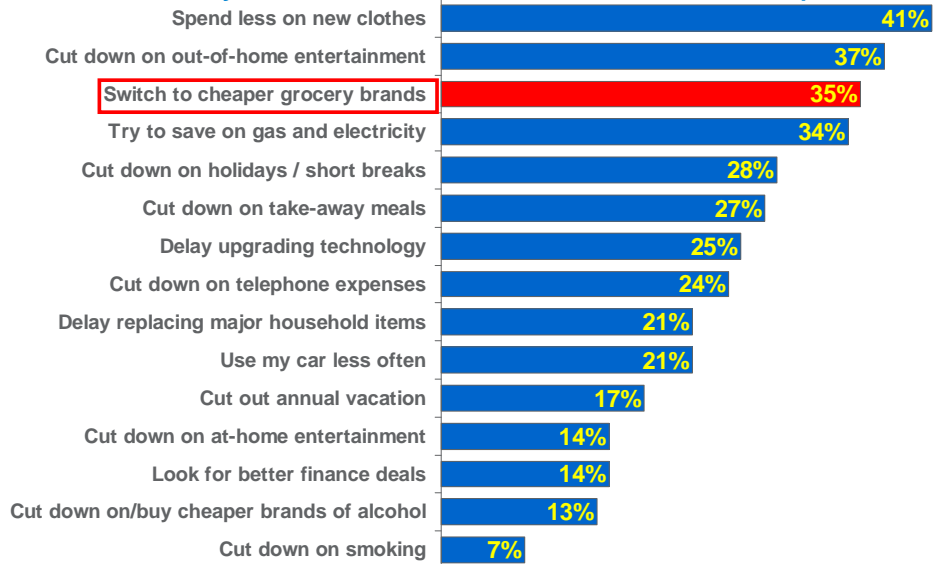
- Consumer attitudes
- Retailers' responses
- Manufacturers' responses

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Compared to this time last year, which of the following actions have you taken to save on household expenses?



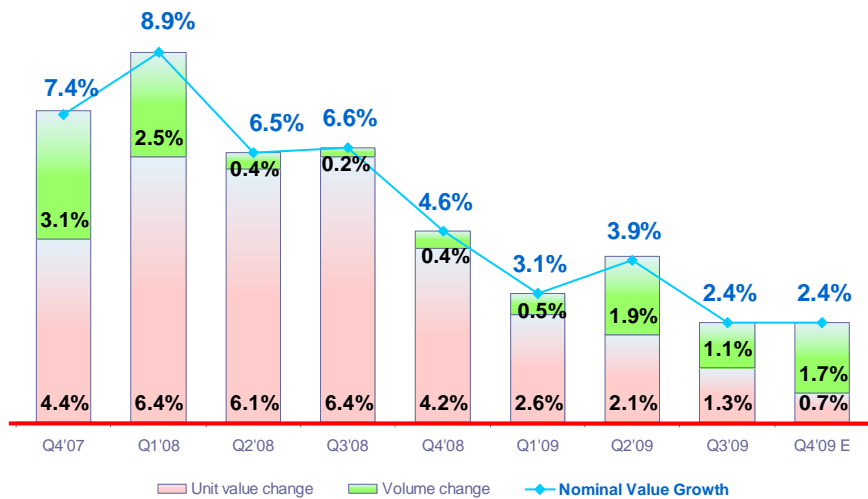
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Source: Nielsen Global Online Survey December 2009
Average of Big 5

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Total Europe view

Fast Moving Consumer Goods market dynamics



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Source: Nielsen Growth Reporter

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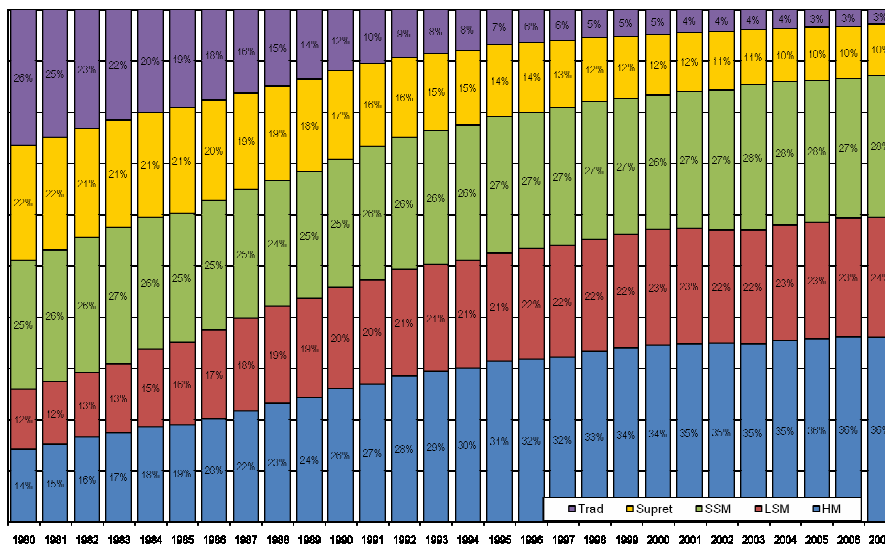
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Evolution of formats in Europe

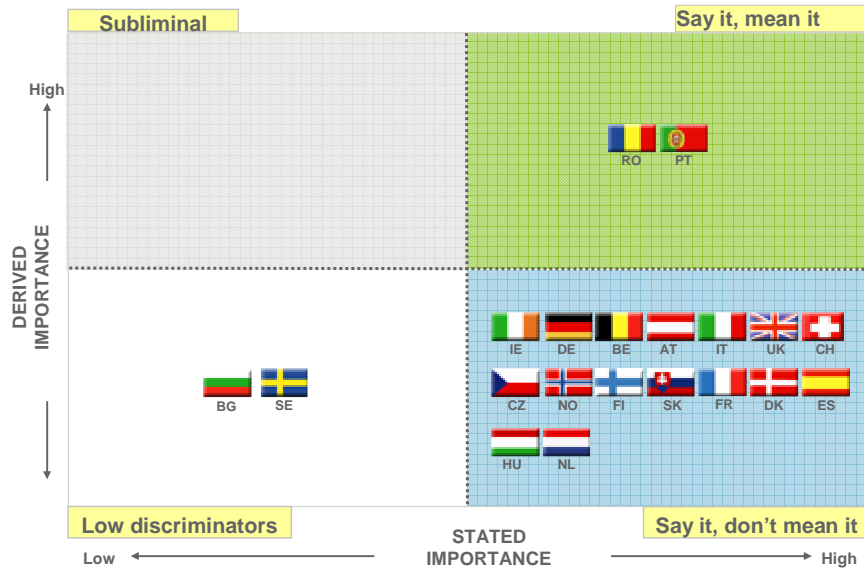


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Source: Nielsen

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Low prices for most items

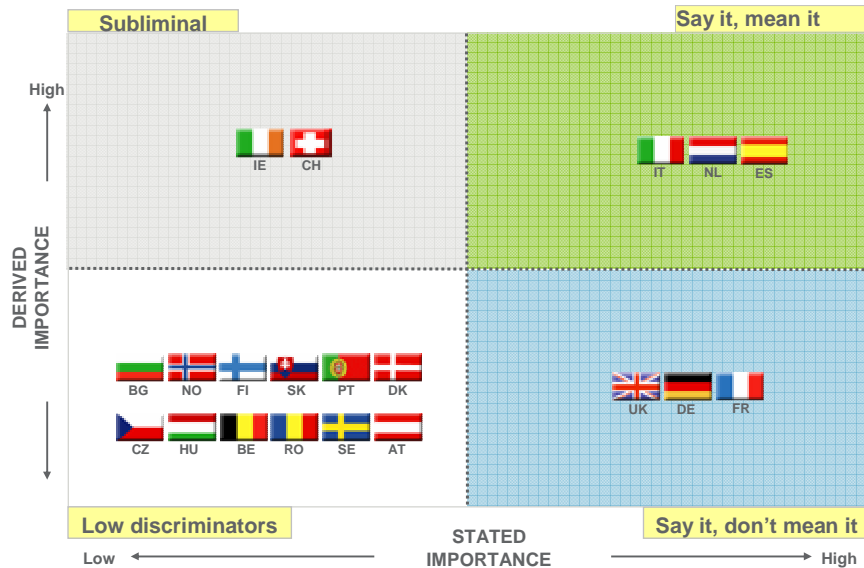


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Source: Nielsen ShopperTrends 2010

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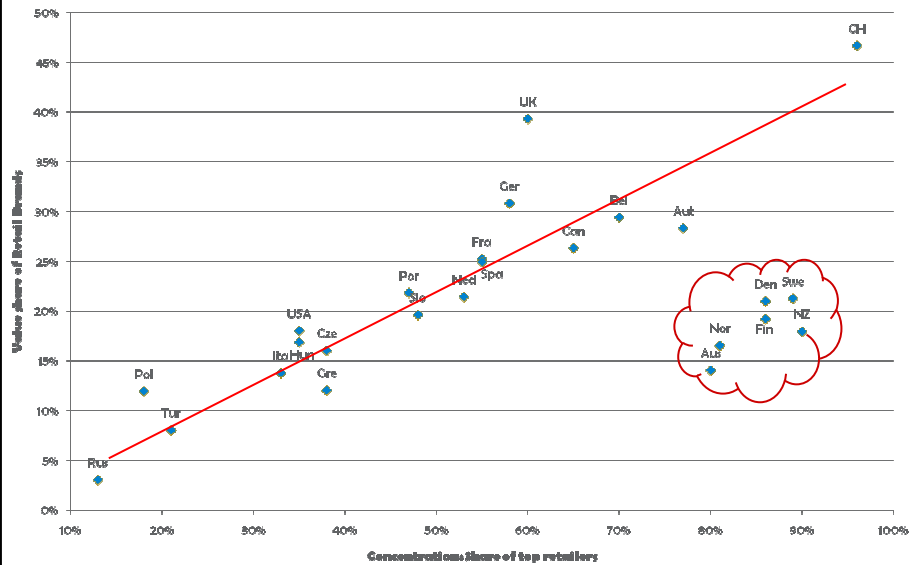
Provides their own brands of groceries which is a good alternative to the main brands



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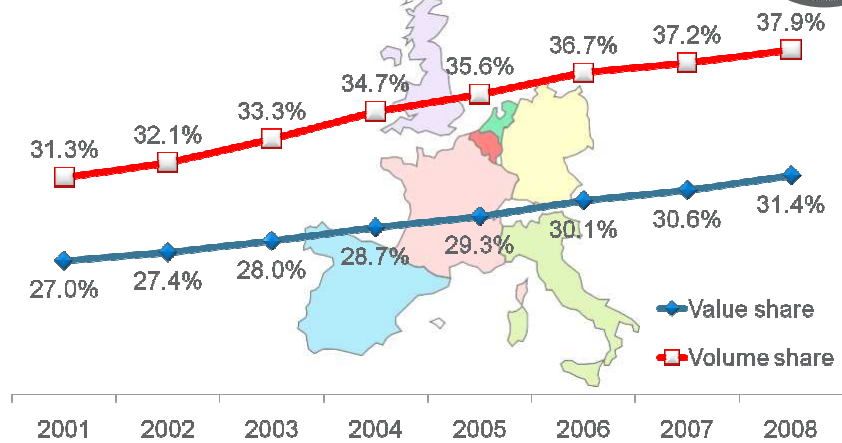
Retail Brands and retailer concentration



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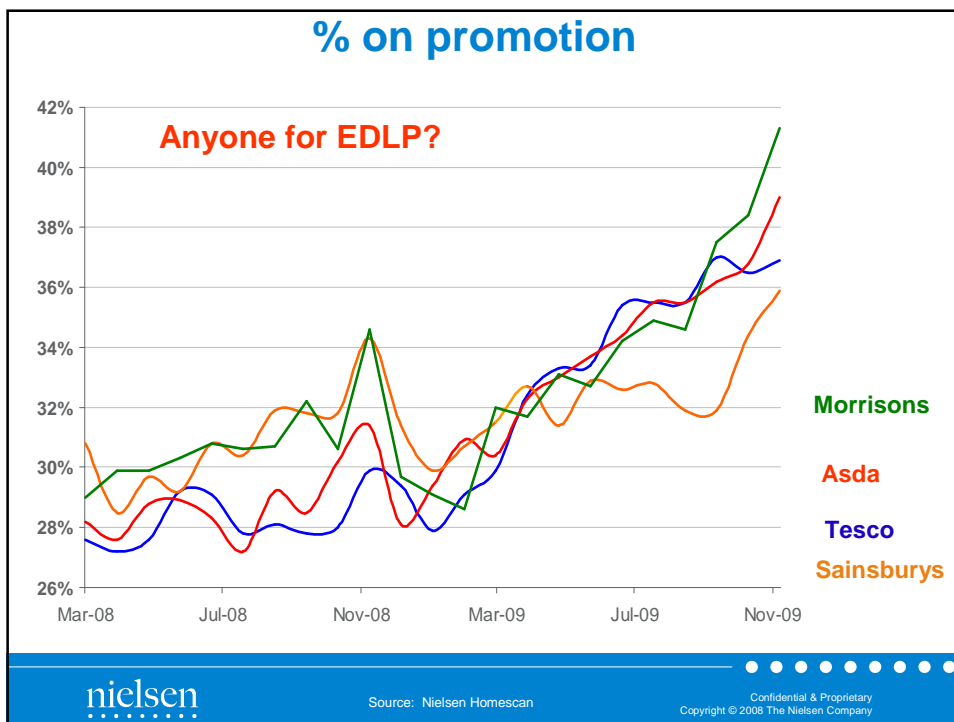
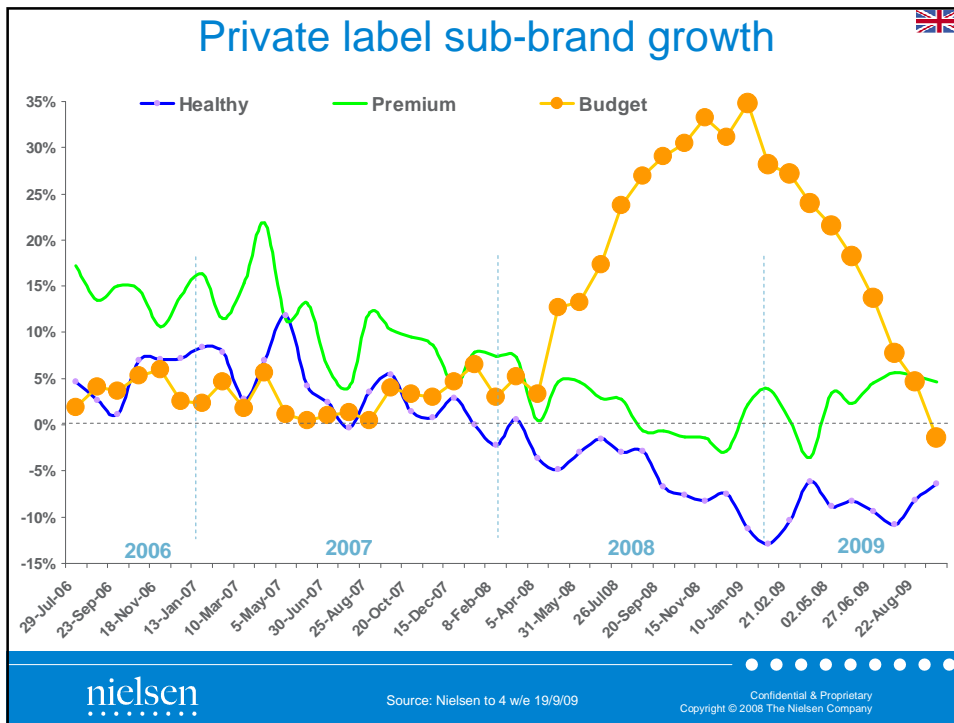
Private label share: 8 years, 7 countries and 1944 categories



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Source: Nielsen

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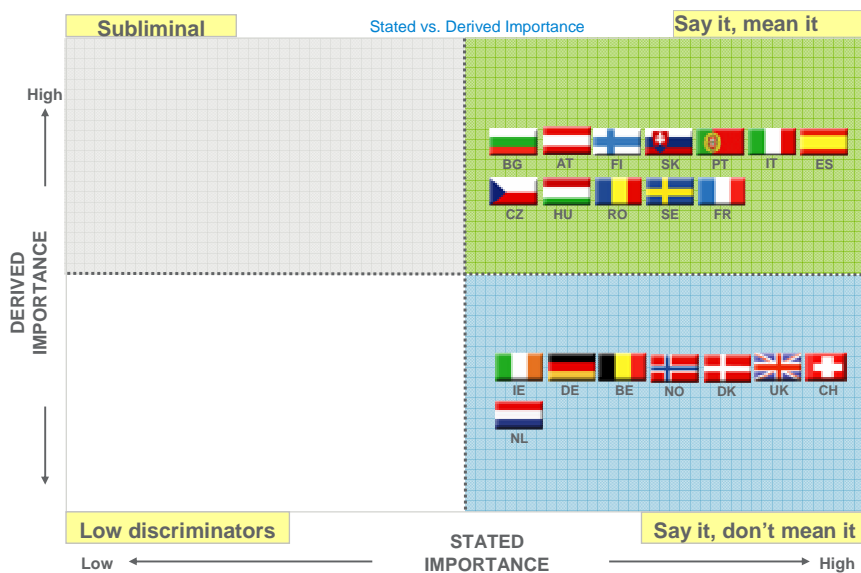
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Food and Groceries are good value for money



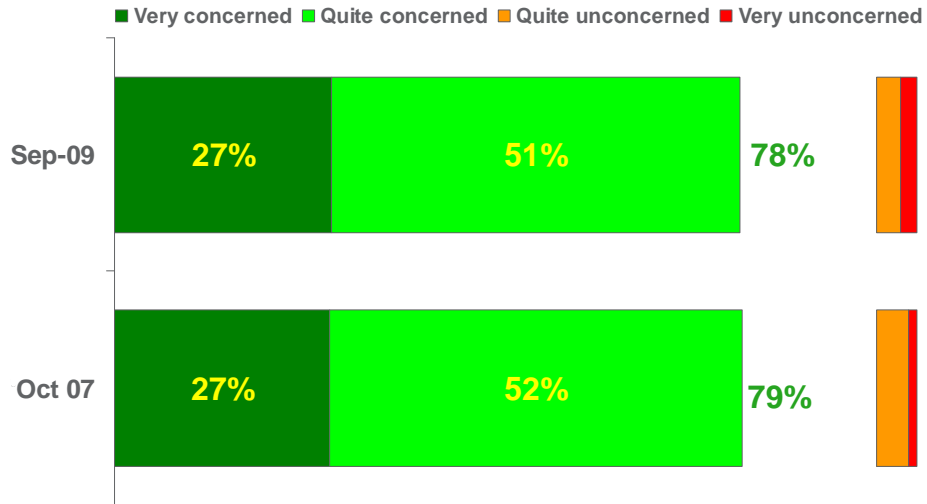
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Source: Nielsen ShopperTrends 2010

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Little change in degree of concern since 2007

How concerned are you about the environment?



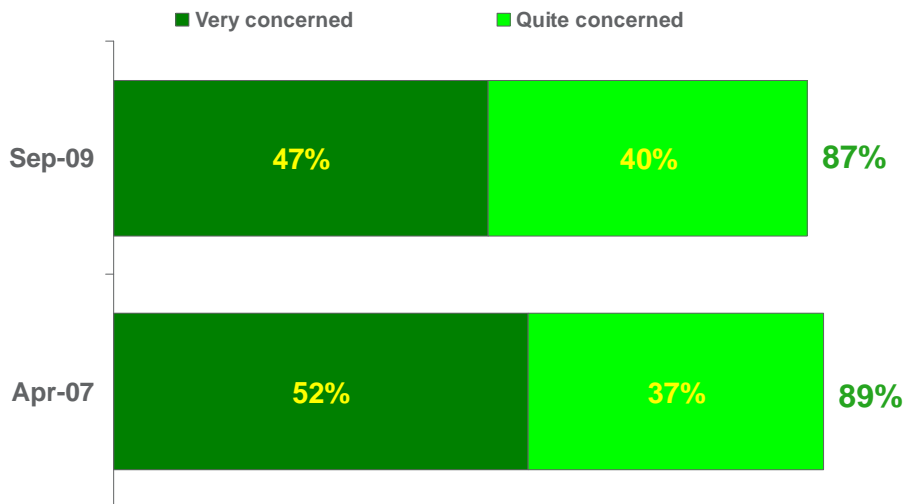
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Source: Nielsen Global online surveys

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Little change in degree of concern since 2007

How concerned are you about Climate change/global warming?



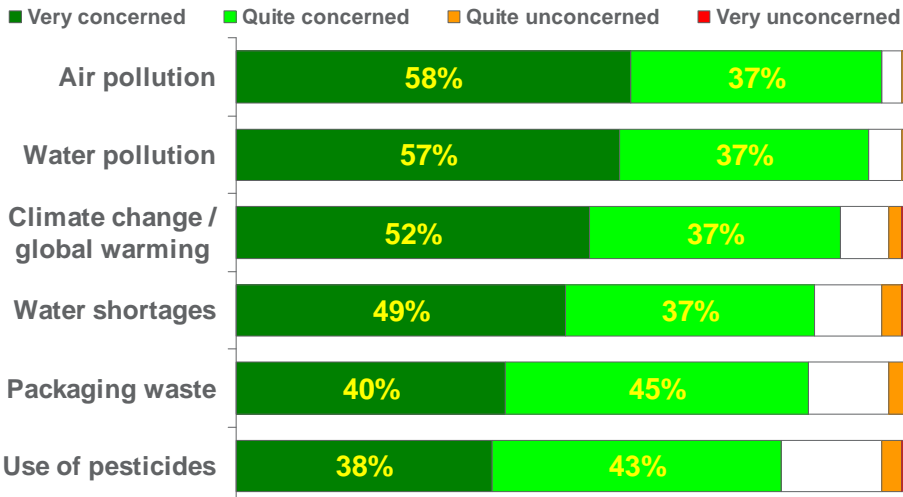
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Source: Nielsen Global online surveys UK results

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Climate change a top environmental concern but it's in 'competition' with others

How concerned are you about the following environmental issues?



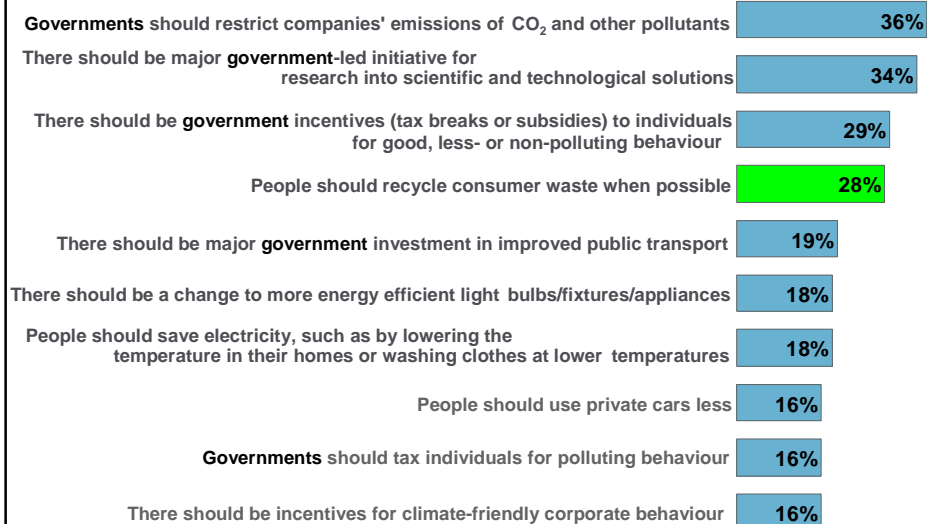
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Source: Nielsen Global online survey Global results
September 2009
Base: the 87% who are "concerned about the environment"

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What do you think are the biggest contributions society can make to combat global warming/climate change?

4 of the top 5 responses put the responsibility on government



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Source: Nielsen Global online surveys Global results
top responses – September 2009
relevance to food manufacturers

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What do you think are the biggest contributions society can make to combat global warming/climate change?

Lowest responses:



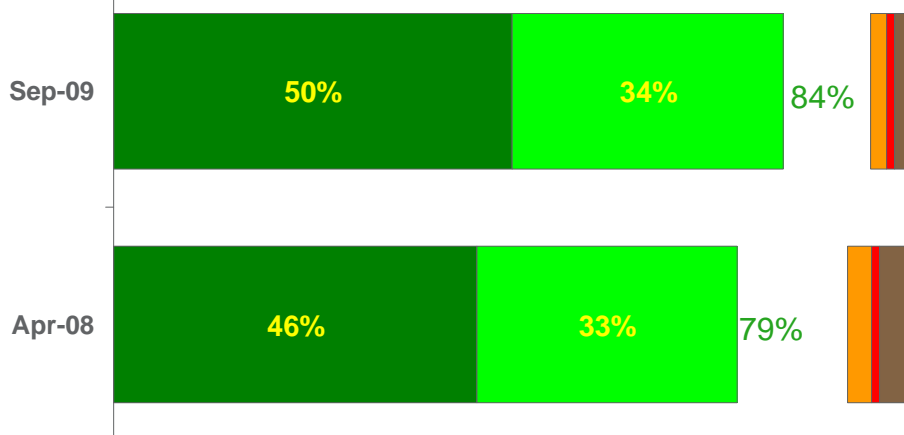
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Source: Nielsen Global online surveys Global results
top responses – September 2009
– relevant to food manufacturers

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Thinking about the manufacture of grocery products, how important is it to you personally that raw materials aren't harmful to the environment

■ Very important
 ■ Somewhat important
 ■ Somewhat unimportant
■ Not at all important
 ■ Don't know

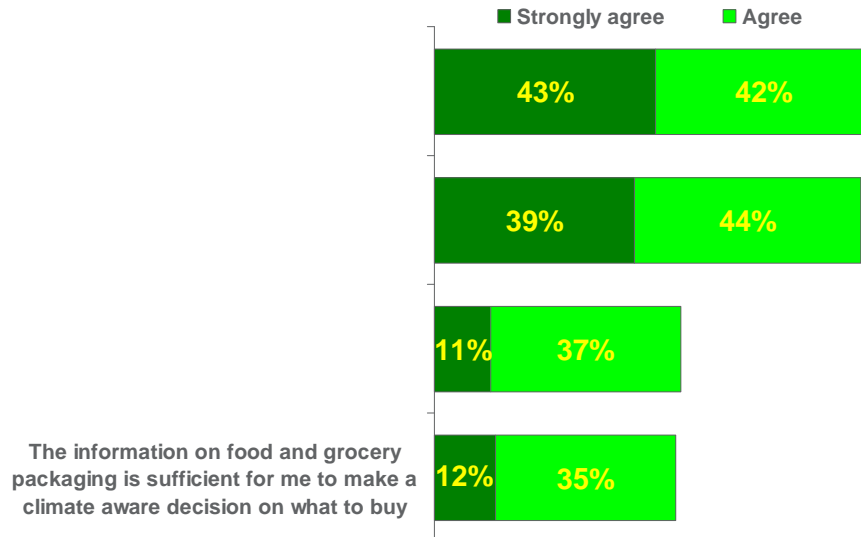


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Source: Nielsen Global online surveys global results

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Consumers need choice editing by manufacturers and retailers on their behalf...

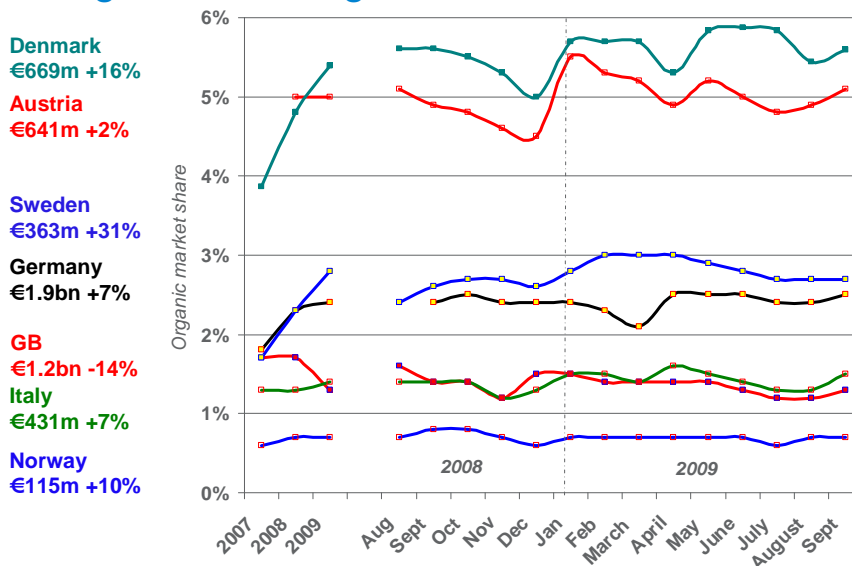


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Source: Nielsen Global online surveys global results
September 2009

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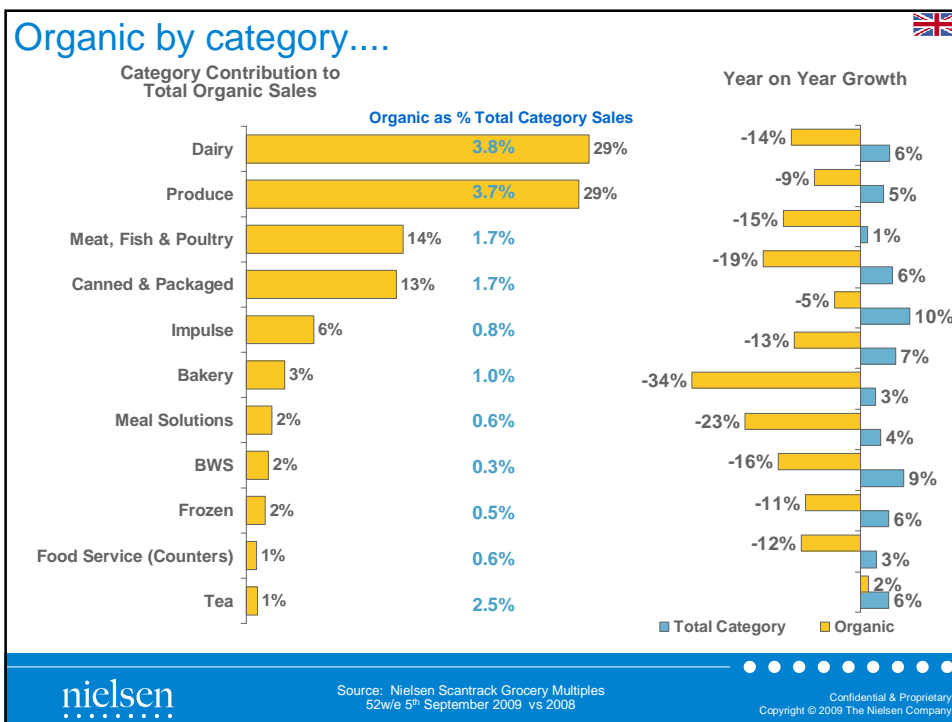
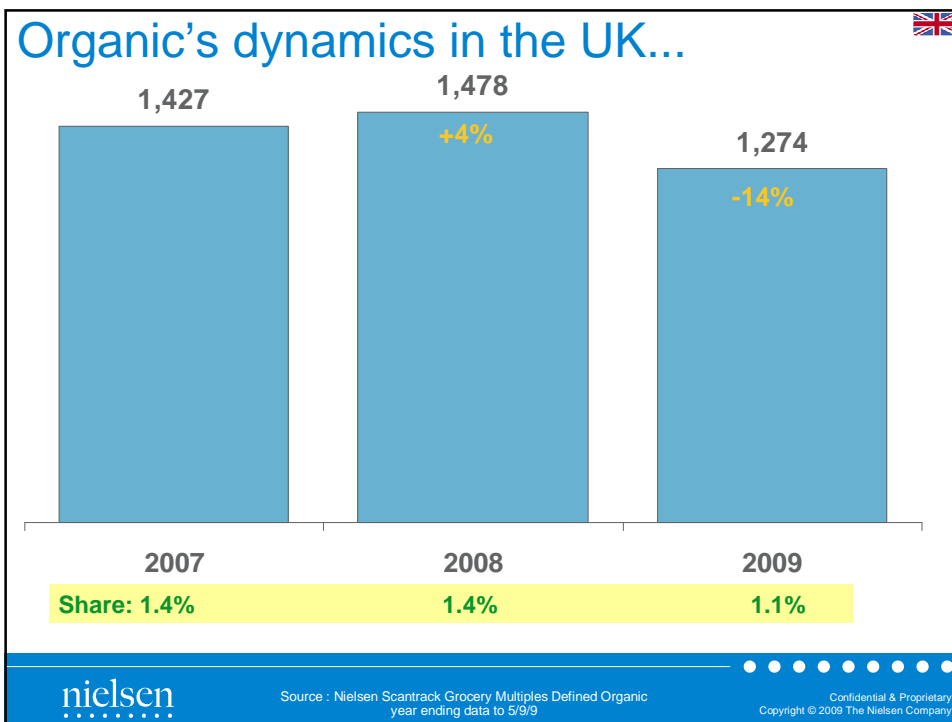
Organic: sales, growth and share

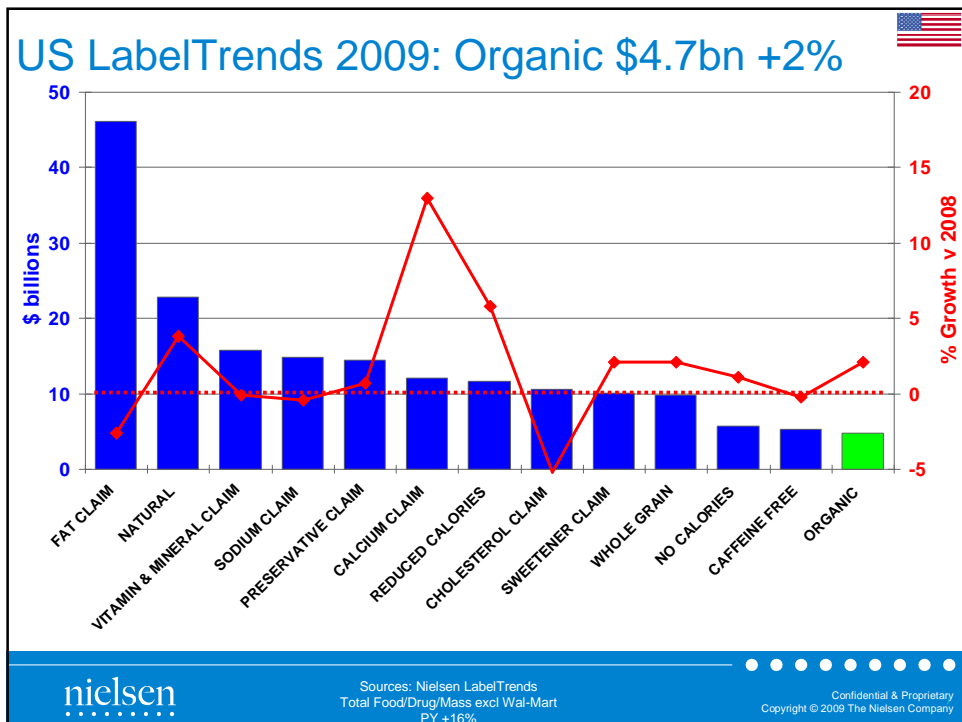
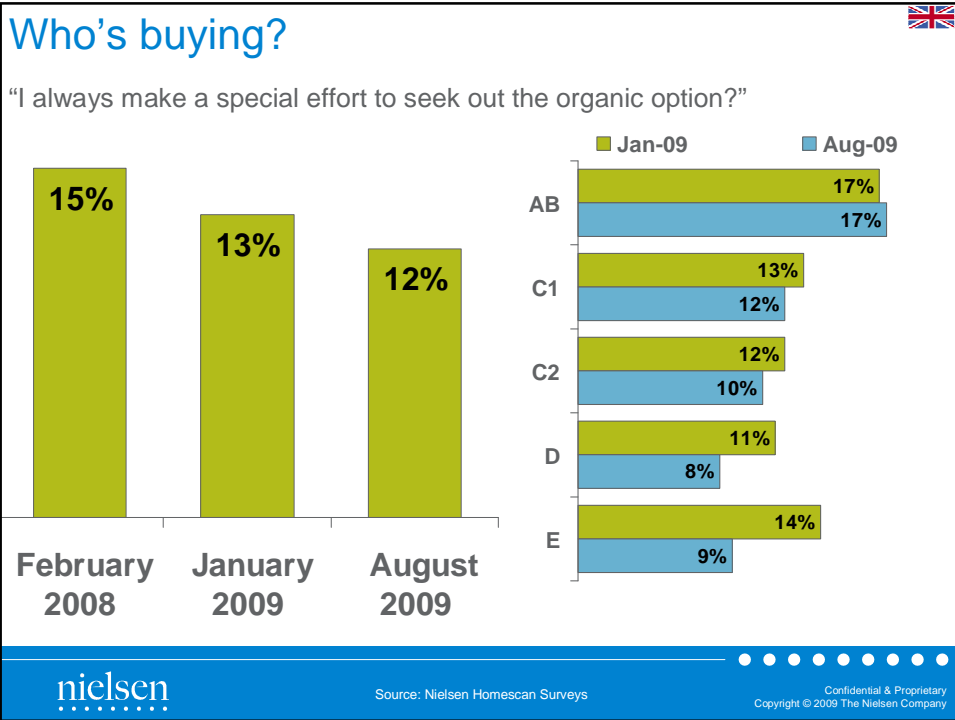


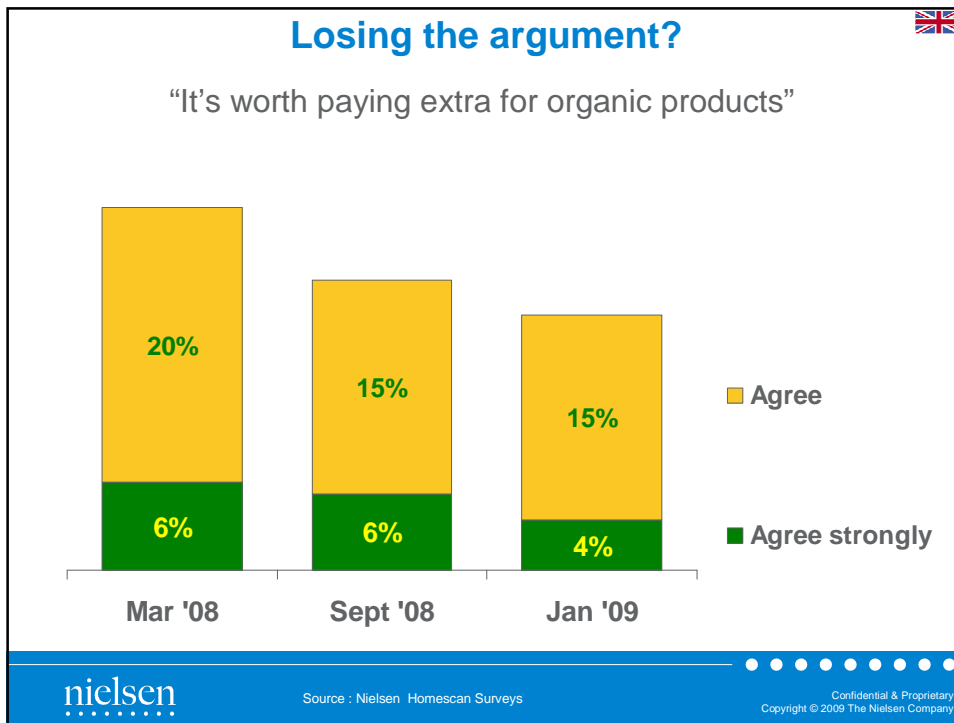
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Source: Nielsen to September 2009

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- ### Caution: integrity needed in everything we do...
- “Low commodity prices are caused by over-supply”
 - “Any subsidy or protection scheme is wrong”
 - “Fair trade schemes encourage further over-production”
 - “Fair trade rewards inefficient producers”
 - “Only a small proportion of the premium reaches the producer”
 - “Makes things worse for producers outside Fair trade schemes”
 - “I choose better ways to give money to charity”
 - “Fairtrade quality is lower than other similarly priced alternatives”
 - “There are so many different logos on packs it's confusing”
 - “Accreditation bodies are just there to make money for themselves”
- 
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Summary

- Media doom and gloom not in our data
- 4 megatrends:
 - health & wellness, convenience & snacking, indulgence, ethical
- Organic growth slowing/declining
- Consumer confusion
- Marketing integrity: better for you and the planet
- Consumer trust and propensity

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