Executive summary

1. Introduction
2. Regional market context
3. What is the dynamic between local products and international brands?
4. Targeting Millennials

Back up slides
Executive Summary

Geocentric purchasing: a win for older generations and fresh food categories

• Over 7 out of 10 European shoppers identify strongly with ethical purchasing practices and have a clear preference for buying locally sourced products. Support for local producers, quality and taste are key factors driving the purchase of local brands. Geocentric purchasing is increasing its relevance across Europe, however there is reluctance by over half of those surveyed to pay more, particularly for locally sourced and organic products.

• Older generations prefer to purchase local products. Young Millennials are marginally less concerned about product origin and environment, and are more inclined to buy international brands which they perceive to be more innovative.

• Fresh food has the strongest affinity with local shoppers while packaged foods shows the most promise for future geocentric purchasing. Global personal and beauty care products have greater equity with shoppers across all age groups.

• While there is opportunity for larger players to embrace attributes that shape future shopper preferences, there is also an opening for home brand players to target assortment gaps, prices and availability in many stores (mainly mass market) – identified as current barriers to ‘buy local’.
Executive Summary

Millennials: online most of the time

- 55% of Millennials use smartphones to get information about grocery products they would like to buy or stores to visit. They research grocery purchases and retailers thoroughly online before buying.

- They use the Internet to look for information on products and stores, and in 2 out of 10 purchases, to buy some products (personal care and packaged food above all).

- Social, blog, YouTube, manufacturer and retailer websites and advertising on socials are the main sources used by info seeking millennials.

- Time saving, flexibility and product assortment are the most important drivers for Millennials and older age groups to shop online. They want to feel free when they buy.

- Future focus for brick and mortar stores should encompass reduced use of plastic packaging and increase convenient food and drink options to keep Millennials in. In addition, more sophisticated instore technology is an expectation of both Millennials and older shoppers.
INTRODUCTION
IRI European Shopper Survey 2018 – Research objectives

What is the dynamic between local products and big brands?

- Do we prefer more big/international brands versus local/national brands?
- How dynamic are these trends now and in the future?
- Why are people choosing national brands / local products?
- How much are shoppers willing to spend on national brands / local products?
- Which are the macro-categories where national brands / local products are bought the most?

Targeting millennials

- Which media channels are most influential? What are the differences versus older generations?
- How does this differ between FMCG and other purchases?
- How do Millennials buy differently in terms of shopping behaviour and channels?
IRI European Shopper Survey 2018 – Methodology

**BY THE NUMBERS**

<table>
<thead>
<tr>
<th>3,334</th>
<th>Online interviews</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>European countries</td>
</tr>
<tr>
<td>3</td>
<td>Age groups</td>
</tr>
</tbody>
</table>

Focus on 5 Macro-categories

- **Packaged food**: i.e. rice, pasta, biscuits, sauces, oil, canned products, baby food
- **Fresh products**: i.e. milk, eggs, yoghurt, cheese, smoothies, dessert, juices. Unbranded fruits and vegetables, meat and fish are not included
- **Beverages**: i.e. wine, beer, alcoholics, soft drinks, fruit juices, water
- **Frozen food**: i.e. meat, fish, ready meals, vegetables, pizza, ice cream
- **Personal and beauty care**: i.e. soap, skin care, shower gel, body care, hair care, make up, fragrances, shaving products

Details by:
1. **Big/International brands**: brands available all over the world and in each region of a single country
2. **Local/National brands**: brands available only at country level or at regional/small area level
REGIONAL MARKET CONTEXT

Retail / Omnichannel
Retailers and manufacturers alike recognise the growing resonance of ‘local’

Links to local production, community and culture are favourable traits for FMCG consumers. Retailers recognise and tailor ranges to identify with these credentials. Larger multinational brand manufacturers increasingly accommodate, acquire or nurture local start-up brands in a bid to tap into new sources of growth.

Top 50 manufacturers’ share of FMCG declines in 6 of 7 countries. Within these top performer groups, national brand manufacturers are more buoyant

International players have less of a stronghold on FMCG year-on-year. Manufacturers of country or ‘local’ origin are more prominent in Italy and Greece, which, along with Spain is also where value growth contribution is strongest.

<table>
<thead>
<tr>
<th>£MAT market value share for Top 50 Manufacturers</th>
<th>Change YoY</th>
<th>National Manufacturer value share of Top 50 Manufacturers</th>
<th>Change YoY</th>
<th>National Manufacturer contribution to Top 50 value growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>£</td>
<td>-0.2pts</td>
<td>-0.1pts</td>
<td>-0.1pts</td>
<td>-0.5pts</td>
</tr>
<tr>
<td>National</td>
<td>30.1</td>
<td>25.5</td>
<td>34.7</td>
<td>36.2</td>
</tr>
<tr>
<td>International</td>
<td>29.6%</td>
<td>36.4%</td>
<td>35.2%</td>
<td>57.9%</td>
</tr>
<tr>
<td>Change YoY</td>
<td>-0.5pts</td>
<td>+0.1pts</td>
<td>+0.1pts</td>
<td>+0.5pts</td>
</tr>
<tr>
<td>National Manufacturer contribution to Top 50 value growth</td>
<td>17.5%</td>
<td>40.2%</td>
<td>34.8%</td>
<td>71.8%</td>
</tr>
</tbody>
</table>

Sources: IRI Market measurement data for top 50 manufacturers based on latest in-market MAT value. UK: Retail Advantage total store, FRA, ITA, ESP, NL, GR IRI Infoscan p/e Aug ’18, DE Infoscan p/e Jul 18

Methodology: National = manufacturer operating in country of origin. International = manufacturer selling at scale originally from a different IRI EU country. Private Label excluded from Top 50 manufacturers
WHAT IS THE DYNAMIC BETWEEN LOCAL PRODUCTS AND INTERNATIONAL BRANDS?
Fairness, environment, short journey to store: More than 7 out of 10 European shoppers surveyed identify with these themes, but some are reluctant to pay more

% of Europeans agreeing with statements – Total Europe

- 71% of European shoppers prefer to buy products from companies who demonstrate fairness, transparency and integrity
- 72% of Europeans prefer to buy products of those companies which respect the environment
- 72% of Europeans prefer products with environmentally friendly packaging
- 68% prefer products that have made a short journey before arriving in store
- 55% are willing to pay more for organic or ‘Km 0’ food

Q 0: We would like to ask your opinion about the following statements. How much do you agree on a scale from 1 to 7? Respondent base: total sample

Highest country % score

- 81%
- 83%
- 81%
- 83%
- 77%
While shoppers are considerate of product origin, there is a greater reluctance to pay more, particularly for locally sourced and organic products.

### Details - % of Europeans agreeing with statements – Total Europe

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>Total Agreeing (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I prefer to buy products of companies that follow principles of fairness,</td>
<td>5%</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>28%</td>
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<tr>
<td>transparency, honesty and integrity</td>
<td></td>
<td></td>
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<tr>
<td>I prefer to buy products from companies that respect the environment</td>
<td>5%</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>28%</td>
</tr>
<tr>
<td>and the local resources</td>
<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>I prefer products that have environmentally friendly packaging</td>
<td>5%</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>27%</td>
</tr>
<tr>
<td>I prefer food products that have gone a short way before arriving in the</td>
<td>5%</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>25%</td>
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<tr>
<td>store</td>
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<td></td>
</tr>
<tr>
<td>I prefer to buy products from companies that use alternative and</td>
<td>5%</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>23%</td>
</tr>
<tr>
<td>renewable energies in industrial plants</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am attracted by new / innovative products</td>
<td>5%</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>20%</td>
</tr>
<tr>
<td>I am willing to pay more for healthy foods</td>
<td>5%</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>19%</td>
</tr>
<tr>
<td>I inform myself about the origin and production method of what I eat</td>
<td>5%</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>16%</td>
</tr>
<tr>
<td>I am willing to pay more for 'Km 0' foods (food coming from territory</td>
<td>5%</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>16%</td>
</tr>
<tr>
<td>close to where you live)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am willing to pay more for organic foods</td>
<td>5%</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>14%</td>
</tr>
</tbody>
</table>

Q.0 We would like to ask your opinion about the following statements. How much do you agree on a scale from 1 to 7?  
1=Totally disagree…7=Totally agree  
Respondent base: total sample

### Top 3 boxes (5,6,7)

- I prefer to buy products of companies that follow principles of fairness, transparency, honesty and integrity: 71%
- I prefer to buy products from companies that respect the environment and the local resources: 72%
- I prefer products that have environmentally friendly packaging: 72%
Millennials are more attracted to innovative products and slightly less concerned about product origin and environmental themes

% of Europeans agreeing with statements – Total Europe – Top three boxes values

<table>
<thead>
<tr>
<th>Statement</th>
<th>18-24</th>
<th>25-34</th>
<th>&gt; 34</th>
</tr>
</thead>
<tbody>
<tr>
<td>I prefer to buy products of companies that follow principles of fairness, transparency, honesty and integrity</td>
<td>69%</td>
<td>71%</td>
<td>69%</td>
</tr>
<tr>
<td>I prefer to buy products from companies that respect the environment and the local resources</td>
<td>70%</td>
<td>70%</td>
<td>70%</td>
</tr>
<tr>
<td>I prefer products that have environmentally friendly packaging</td>
<td>60%</td>
<td>64%</td>
<td>64%</td>
</tr>
<tr>
<td>I prefer food products that have gone a short way before arriving in the store</td>
<td>66%</td>
<td>65%</td>
<td>65%</td>
</tr>
<tr>
<td>I prefer to buy products from companies that use alternative and renewable energies in industrial plants</td>
<td>66%</td>
<td>70%</td>
<td>70%</td>
</tr>
<tr>
<td>I am attracted by new / innovative products</td>
<td>70%</td>
<td>70%</td>
<td>70%</td>
</tr>
<tr>
<td>I am willing to pay more for healthy foods</td>
<td>62%</td>
<td>65%</td>
<td>65%</td>
</tr>
<tr>
<td>I inform myself about the origin and production method of what I eat</td>
<td>53%</td>
<td>61%</td>
<td>63%</td>
</tr>
<tr>
<td>I am willing to pay more for 'Km 0' foods (food coming from territory close to where you live)</td>
<td>50%</td>
<td>53%</td>
<td>58%</td>
</tr>
<tr>
<td>I am willing to pay more for organic foods</td>
<td>51%</td>
<td>53%</td>
<td>51%</td>
</tr>
</tbody>
</table>

Q.0 We would like to ask your opinion about the following statements. How much do you agree on a scale from 1 to 7?
Respondent base: total sample
Shoppers have a much stronger connection with locally produced fresh food. Big brands win ahead across other macro-categories.

### % of shoppers who prefer big versus local brands for grocery shopping – Total Europe

<table>
<thead>
<tr>
<th>Category</th>
<th>Big / International</th>
<th>Local / National</th>
<th>A good balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Packaged Food</td>
<td>14%</td>
<td>29%</td>
<td>47%</td>
</tr>
<tr>
<td>Fresh Food</td>
<td>12%</td>
<td>29%</td>
<td>47%</td>
</tr>
<tr>
<td>Beverages</td>
<td>13%</td>
<td>53%</td>
<td>50%</td>
</tr>
<tr>
<td>Frozen Food</td>
<td>10%</td>
<td>55%</td>
<td>50%</td>
</tr>
<tr>
<td>Personal &amp; Beauty Care</td>
<td>10%</td>
<td>55%</td>
<td>50%</td>
</tr>
</tbody>
</table>

**Top 2 highest country % for local**

- Packaged Food: 31% Spain, 13% Germany
- Fresh Food: 40% Spain, 36% Greece
- Beverages: 24% Spain, 13% Germany
- Frozen Food: 35% Spain, 13% Greece
- Personal & Beauty Care: 23% Spain, 10% France

Q.3 For each macro category, do you preferably buy big brands/international or local/national brands? Please consider only branded products, avoiding thinking about unbranded products (i.e. bulk products, variable weight products).

Respondent base: total sample
Although young millennials favor big / international brands and over 34’s a blend of national and local, there is more consensus on ‘local’ for fresh food.

% of shoppers who prefer big versus local brands for grocery shopping – Total Europe

Split by age

Q.3 For each macro category, do you preferably buy big brands/international or local/national brands? Please consider only branded products, avoiding thinking about unbranded products (i.e. bulk products, variable weight products).

Respondent base: total sample
Local brands are bought more frequently for fresh products

Purchase frequency for local brands products - Total Europe

Q.4 For each group, how frequently do you buy local brands products?
Respondent’s basis: shoppers who buy local brands and a good balance between local and big brands from Q.3
Support for local producers, quality and taste are key factors behind the purchase of local brands

Q.7 Which are the main reasons you buy local brands products?
Respondent's basis: shoppers who buy local brands and a good balance between local and big brands from Q.3

- **Better taste than industrial products**: 49%
- **Better quality**: 53%
- **Better quality-price ratio**: 45%
- **To support local small producers**: 49%
- **For environmental sustainability: local production means less pollution for transport**: 45%
- **To discover the natural seasonality of products**: 32%
- **They are healthier**: 29%
- **Opportunity to find many organic products among categories**: 24%
- **To return to the past when products came from local territories**: 24%
- **To discover type of products not available in hyper/super/discount**: 18%
- **They are healthier**: 17%

Highest country % score:
- **Greece**: 63%
- **United Kingdom**: 57%
- **Italy**: 49%
- **Spain**: 45%
- **France**: 38%
- **Germany**: 33%
- **Russia**: 32%
- **Ireland**: 29%
- **Portugal**: 24%
Support for local producers, quality and taste are key factors behind the purchase of local brands, even if the weighting differ among countries.

**Reasons for buying local brand products - Total Europe – Main mentions for each country**

- **Support for local producers**: 70%
  - Better quality: 63%
  - Better taste: 57%
- **Better quality**: 52%
- **Better taste**: 49%
- Support for local producers: 47%
- Support for local producers: 56%
  - Better quality: 54%
  - Better taste: 48%
- Support for local producers: 47%
- Support for local producers: 43%
  - Better quality: 46%
  - Better taste: 42%
- Support for local producers: 55%
  - Better quality: 46%
  - Better taste: 33%
- Support for local producers: 42%
  - Better quality: 63%
  - Better taste: 57%
- Support for local producers: 53%
  - Better quality: 47%
  - Better taste: 47%
- Support for local producers: 56%
  - Better quality: 47%
  - Better taste: 47%
- Support for local producers: 47%
  - Better quality: 43%
  - Better taste: 42%
- Support for local producers: 55%
  - Better quality: 47%
  - Better taste: 47%
- Support for local producers: 42%
  - Better quality: 39%
  - Better taste: 36%

Q.7 Which are the main reasons you buy local brands products?
Respondent’s basis: shoppers who buy local brands and a good balance between local and big brands from Q.3
Drivers to purchase ‘local’ are largely consistent across all age groups

### Reasons for buying local brand products - Total Europe

#### Split by age group

<table>
<thead>
<tr>
<th>Reason</th>
<th>18-24 y.o.</th>
<th>25-34 y.o.</th>
<th>&gt; 34 y.o.</th>
</tr>
</thead>
<tbody>
<tr>
<td>To support local small producers</td>
<td>48%</td>
<td>45%</td>
<td>58%</td>
</tr>
<tr>
<td>Better quality</td>
<td>48%</td>
<td>49%</td>
<td>49%</td>
</tr>
<tr>
<td>Better taste</td>
<td>43%</td>
<td>42%</td>
<td>47%</td>
</tr>
<tr>
<td>For environmental sustainability</td>
<td>30%</td>
<td>31%</td>
<td>33%</td>
</tr>
<tr>
<td>Better quality-price ratio</td>
<td>28%</td>
<td>31%</td>
<td>29%</td>
</tr>
<tr>
<td>To discover natural seasonality</td>
<td>24%</td>
<td>23%</td>
<td>25%</td>
</tr>
<tr>
<td>They are healthier</td>
<td>21%</td>
<td>22%</td>
<td>22%</td>
</tr>
<tr>
<td>Many organic products</td>
<td>20%</td>
<td>19%</td>
<td>16%</td>
</tr>
<tr>
<td>To return to the past when products came from local territories</td>
<td>15%</td>
<td>20%</td>
<td>17%</td>
</tr>
<tr>
<td>To discover products not available in mass market/discount</td>
<td>20%</td>
<td>18%</td>
<td>15%</td>
</tr>
</tbody>
</table>

Q.7 Which are the main reasons you buy local brands products?
Respondent’s basis: shoppers who buy local brands and a good balance between local and big brands from Q.3
Fresh food arouses the highest intention to buy local brands, especially in southern Europe, among current non-buyers

**Intention to buy local brand products among non-buyers – Total Europe**

*Top two boxes*

<table>
<thead>
<tr>
<th>Category</th>
<th>I will likely buy</th>
<th>I definitely will buy</th>
<th>Likely yes, unlikely no</th>
<th>Unlikely I will buy</th>
<th>I definitely will not buy</th>
<th>Do not know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Packaged Food</td>
<td>23%</td>
<td>21%</td>
<td>24%</td>
<td>10%</td>
<td>2%</td>
<td>19%</td>
</tr>
<tr>
<td>Fresh Food</td>
<td>23%</td>
<td>27%</td>
<td>17%</td>
<td>1%</td>
<td>5%</td>
<td>27%</td>
</tr>
<tr>
<td>Beverages</td>
<td>18%</td>
<td>16%</td>
<td>13%</td>
<td>3%</td>
<td>4%</td>
<td>33%</td>
</tr>
<tr>
<td>Frozen Food</td>
<td>17%</td>
<td>15%</td>
<td>23%</td>
<td>19%</td>
<td>4%</td>
<td>22%</td>
</tr>
<tr>
<td>Personal &amp; Beauty Care</td>
<td>14%</td>
<td>12%</td>
<td>21%</td>
<td>16%</td>
<td>5%</td>
<td>32%</td>
</tr>
</tbody>
</table>

Top two highest countries % score (for top 2 boxes)

- Italian: 56%
- Spanish: 49%
- Greek: 58%
- German: 47%
- Spanish: 38%
- Italian: 40%
- Spanish: 37%
- Italian: 34%
- Spanish: 30%

Q.8 Do you think you will consider buying local brand products in the next 3 months for each of the following groups of products?

Respondent’s basis: shoppers who do not currently buy local brands from Q.3
Limited assortment and high prices are main barriers to buying local brands among current non-buyers

Reasons not to buy local brands products among non-buyers - Total Europe

Q.8a For which reasons do you think you would not buy local brands products in the near future?
Respondent’s basis: shoppers who do not currently buy local brands from Q.3
Just under a third of shoppers call out higher prices and location as prohibitive. Young Millennials are less trusting of ‘unknown’ brands.

**Reasons not to buy local brand products among non-buyers – Total Europe**

**Split by age group**

- **I do not find types of products I need**: 32% (18-24 y.o.), 34% (25-34 y.o.), 46% (>34 y.o.)
- **Higher prices than big brands products**: 30% (18-24 y.o.), 30% (25-34 y.o.), 28% (>34 y.o.)
- **I would need to go to other stores to buy them**: 29% (18-24 y.o.), 26% (25-34 y.o.), 16% (>34 y.o.)
- **They are unknown brands**: 24% (18-24 y.o.), 17% (25-34 y.o.), 16% (>34 y.o.)
- **I have no guarantees about the production process**: 13% (18-24 y.o.), 11% (25-34 y.o.), 7% (>34 y.o.)
- **I am not interested in local brand products**: 13% (18-24 y.o.), 13% (25-34 y.o.), 7% (>34 y.o.)
- **Same quality of big brands products**: 11% (18-24 y.o.), 7% (25-34 y.o.), 6% (>34 y.o.)
- **I do not like their products**: 11% (18-24 y.o.), 8% (25-34 y.o.), 4% (>34 y.o.)

Q.8a For which reasons do you think you would not buy local brands products in the near future? Respondent base: shoppers who do not currently buy local brands from Q.3.
Spending intention for local brands is focused on fresh and packaged food. German shoppers show most willing to shop more local

**Spending intention net score – Total Europe**

The values refer to the difference between «I will spend more than today» and «I will spend less than today»

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
<th>Highest country %</th>
<th>Respondent's basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Packaged Food</td>
<td>43%</td>
<td>40% 25-35 y.o.</td>
<td></td>
</tr>
<tr>
<td>Fresh Food</td>
<td>50%</td>
<td>47% &gt; 34 y.o.</td>
<td></td>
</tr>
<tr>
<td>Beverages</td>
<td>29%</td>
<td>25% &gt; 34 y.o.</td>
<td></td>
</tr>
<tr>
<td>Frozen Food</td>
<td>24%</td>
<td>20% &gt; 25 y.o.</td>
<td></td>
</tr>
<tr>
<td>Personal &amp; Beauty Care</td>
<td>28%</td>
<td>29% 18-24 y.o.</td>
<td></td>
</tr>
</tbody>
</table>

Q.10 Regardless of whether you are currently buying local brands (local producer’s brands) or not, do you think in the near future you will spend more or less than today?
Respondent’s basis: total sample
Local brands have a positive profile, but score less favourably when it comes to perceptions concerning price and innovation.

Local brand profile – Total Europe

67% Products have a short journey before arriving in store
55% They respect the environment
24% They have good prices
20% Local brands have innovative products

Highest country % score

77% Italy
59% Greece, France, Netherlands, Germany
27% Italy
25% Netherlands

Q.11 For the following statements we ask you please to indicate if it applies better to local brands or big brands
Respondent’s basis: total sample
Taste, natural and product ingredients are key attributes linked most to quality by European shoppers. Organic, uniqueness and known brands less so.

“Quality product” description – Total Europe

- Good taste: 56%
- Be natural: 54%
- Quality raw material: 51%
- Be healthy: 42%
- Be organic: 25%
- Be fair trade: 17%
- Come from non intensive farms: 30%
- Guarantee physical well being: 24%
- Have a medium-high price: 14%
- Ingredients of national origin: 25%
- Be a ‘unique’ product: 17%
- Be «Km 0»: 24%
- Produced by known brand: 9%
- Certified production process: 35%
- Pack that respects environment: 30%
- Be «Km 0»: 24%

Q.12 How would you describe a ‘quality product’? Which are the main characteristics a quality product should have? Respondent’s basis: total sample
### Local / National = Quality product → especially for fresh food

#### Quality product association: local versus big brands – Total Europe

<table>
<thead>
<tr>
<th>Category</th>
<th>Local/National brands (%)</th>
<th>Big/International brands (%)</th>
<th>Both equally (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Packaged Food</td>
<td>26</td>
<td>31</td>
<td>43</td>
</tr>
<tr>
<td>Fresh Food</td>
<td>57</td>
<td>12</td>
<td>31</td>
</tr>
<tr>
<td>Beverages</td>
<td>23</td>
<td>34</td>
<td>43</td>
</tr>
<tr>
<td>Frozen Food</td>
<td>21</td>
<td>40</td>
<td>39</td>
</tr>
<tr>
<td>Personal &amp; Beauty Care</td>
<td>17</td>
<td>43</td>
<td>39</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Highest country % score for local</th>
<th>Local</th>
<th>National</th>
</tr>
</thead>
<tbody>
<tr>
<td>Packaged Food</td>
<td>33%</td>
<td>64%</td>
</tr>
<tr>
<td>Fresh Food</td>
<td>29%</td>
<td>24%</td>
</tr>
</tbody>
</table>

Q.15 Do you think that a quality product, as you have described before, is much more associated to big brands or local brands? Respondent's basis: total sample

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TARGETING MILLENNIALS

Retail / Omnichannel
Millennials use smartphones to research online information about grocery products they would like to buy and stores they would like to visit.

- 61% of Young Millennials go online to find information on products and stores (versus 43% of older people)
- 23% of Young Millennials use social blogs and online forums as a source of information (versus 15% of older people)
- 55% of all Millennials use smartphones to research product and store information

Q.17 Which are the ways you use to get information about stores and products?
Respondent base: total sample

Q.17 And precisely on Internet?

Q.19 Which device do you mainly use to get information on the Internet about products and stores?
6 Millennials out of 10 are online information seekers but search frequency is higher among people over 34 years (even if their main source is the store).

Sources of information and information search frequency online – Total Europe

<table>
<thead>
<tr>
<th>Source</th>
<th>New products</th>
<th>Stores with interesting promotions</th>
<th>Stores with specific products</th>
<th>Grocery product’s rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internet</td>
<td>66%</td>
<td>60%</td>
<td>59%</td>
<td>60%</td>
</tr>
<tr>
<td>Store</td>
<td>61%</td>
<td>60%</td>
<td>54%</td>
<td>61%</td>
</tr>
<tr>
<td>Internet</td>
<td>45%</td>
<td>42%</td>
<td>41%</td>
<td>46%</td>
</tr>
<tr>
<td>Store</td>
<td>50%</td>
<td>48%</td>
<td>46%</td>
<td>26%</td>
</tr>
<tr>
<td>Internet</td>
<td>51%</td>
<td>48%</td>
<td>44%</td>
<td>22%</td>
</tr>
<tr>
<td>Store</td>
<td>60%</td>
<td>61%</td>
<td>53%</td>
<td>23%</td>
</tr>
</tbody>
</table>

18-24 y.o. 25-34 y.o. >3 y.o.

2/3 of Young Millennials research new products online, compared to just 45% of those 34yr and over. Information search frequency on the Internet is higher among >34 y.o. → once every two weeks versus once every three weeks of Millennials

Q.17 Which are the ways you use to get information about stores and products - Q.18 How frequently do you use Internet to get information about …
Respondent base: total sample
Different digital devices used among ages to find product/store information: smartphones for all Millennials, traditional PC for people aged > 34.

Type of device used to get information online – Total Europe

All Millennials

- 55% for all Millennials
- 34% >34 y.o.
- 7% >34 y.o.

Q.19 Which device do you mainly use to get information on the Internet about products and stores?
Respondent base: total sample
Time saving, flexibility and product assortment are the most important drivers for Young Millennials and older age groups to shop online.

Key benefits of online versus brick and mortar grocery shopping – Total Europe

- **Time saving**: 42%
- **Freedom to buy (time/place)**: 39%
- **Wider assortment of products**: 37%

Q.21 Which points of difference for grocery shopping online are more relevant to you compared to grocery shopping in stores (brick and mortar)?

Respondent’s basis: total sample
Millennials buy more regularly and spend more online than older shoppers.

**Average number of shopping trips, instore versus online purchase (out of 10) – Total Europe**

Q.22 Think about your last 10 purchases of grocery shopping. How many of them took place online and how many in-store?

All Millennials: 7,3
> 34 y.o.: 8,2

All Millennials: 2,7
> 34 y.o.: 1,8

**Spending for in-store shopping versus online grocery shopping – Total Europe**

Q.23 On average, for your grocery shopping to buy all products for your family, do you spend more in stores (brick & mortar) or online?

18-24 y.o.: 74%
> 34 y.o.: 85%

18-24 y.o.: 17%
> 34 y.o.: 8%

Respondent base: total sample
Millennials are more inclined to buy packaged food online, shoppers of all ages more likely to buy personal & beauty care products in this channel.

Focus on online as a purchase destination by macro-category – Total Europe
Split by age group

Q.1 Where do you currently buy each products for your grocery shopping?
Respondent base: total sample
Shoppers expect an enhanced focus on plastic packaging reduction, local range and better product quality instore. Young Millennials are looking for improved instore technology and convenient food and drink options.

Expectations for brick & mortar stores – Total Europe

<table>
<thead>
<tr>
<th>Expectation</th>
<th>18-24 y.o.</th>
<th>25-34 y.o.</th>
<th>&gt; 34 y.o.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less plastic on packs</td>
<td>39%</td>
<td>36%</td>
<td>47%</td>
</tr>
<tr>
<td>More local brands products</td>
<td>36%</td>
<td>36%</td>
<td>47%</td>
</tr>
<tr>
<td>Higher product quality</td>
<td>35%</td>
<td>36%</td>
<td>39%</td>
</tr>
<tr>
<td>Differentiated promo among categories</td>
<td>31%</td>
<td>28%</td>
<td>28%</td>
</tr>
<tr>
<td>More product’s info in a technological way</td>
<td>26%</td>
<td>23%</td>
<td>20%</td>
</tr>
<tr>
<td>Easier check out</td>
<td>24%</td>
<td>24%</td>
<td>24%</td>
</tr>
<tr>
<td>Refrigerated ready to eat food/beverages</td>
<td>23%</td>
<td>19%</td>
<td>16%</td>
</tr>
<tr>
<td>More opportunities to touch/test products</td>
<td>21%</td>
<td>19%</td>
<td>18%</td>
</tr>
<tr>
<td>More big brands products</td>
<td>16%</td>
<td>15%</td>
<td>13%</td>
</tr>
<tr>
<td>A corner with books on food/recipes</td>
<td>13%</td>
<td>10%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Q.24 What are your expectations about brick and mortar stores as hyper, super, convenience stores, discounters for the future?
Respondent’s basis: total sample
Channel definitions (*)

**Generalist Channels**

- Hypermarkets
- Supermarkets
- Convenience stores
- Discount stores
- Department stores
- Open air town markets
- Kiosks
- Generalist Internet sites

**Specialised Channels**

- Frozen food shops
- Bio shops
- Pharmacies/chemists
- Wine shops
- Farms
- Small local producers
- Personal and home care stores
- Make-up / personal care products chains
- Perfumeries
- Sellers of personal care products
- Specialist Internet sites

(*) Take into consideration that some channels are not available in all countries.
Shoppers prefer specialist channels when buying personal and beauty care products ahead of other grocery products

% of shoppers who buy products for grocery shopping in generalist and specialised channels – Total Europe

Q.1 Where do you currently buy each products for your grocery shopping?
Respondent’s basis: total sample
Supermarkets are still the main destination for groceries. Specialists important to P&B care, online accounts for 8% of shopper destinations

% of shoppers who buy products for grocery shopping in these channels – Total Europe

Note: all channels are not implemented in every country. Channels for personal & home care, make-up/personal care products, perfume shops, sellers of personal care products have been considered only for personal care macro category. Frozen food stores have been considered for frozen food and beverages macro categories only. Kiosk has been considered for beverages macro category only.

Q.1 Where do you currently buy each products for your grocery shopping?
Respondent's basis: total sample
Growth opportunities exist as EU shoppers currently buying local intend to buy more within packaged grocery foods over the next 3 months

Focus on local brands: % of shoppers who buy/will buy local brands for PACKAGED FOOD – Total Europe

Q.5 For which of the following types of products you happen to buy currently are local brands products? Respondent’s basis: shoppers who buy local brands and a good balance between local and big brands from Q.3

Q.6 And for which ones are you willing to buy in the next 3 months?
Purchase intention for local fresh products reflects the current situation

Focus on local brands: % of shoppers who buy/will buy local brands for FRESH FOOD – Total Europe

- Big / International brands
- Local / National brands
- A good balance between Big and Local brands

Q.5 For which of the following types of products you happen to buy currently are local brands products?
Respondent’s basis: shoppers who buy local brands and a good balance between local and big brands from Q.3

Q.6 And for which ones are you willing to buy in the next 3 months?

- Eggs
  - Currently: 61%
  - Next 3 months: 60%
- Cheese
  - Currently: 57%
  - Next 3 months: 57%
- Milk
  - Currently: 50%
  - Next 3 months: 49%
- Yoghurt
  - Currently: 38%
  - Next 3 months: 40%
- Cold cuts
  - Currently: 37%
  - Next 3 months: 39%
- Smoothies / Fruit juices
  - Currently: 17%
  - Next 3 months: 19%
Slightly higher intention to buy local brands of wine compared to beer

Focus on local brands: % of shoppers who buy/will buy local brands for BEVERAGES – Total Europe

Q.5 For which of the following types of products you happen to buy currently are local brands products? Respondent’s basis: shoppers who buy local brands and a good balance between local and big brands from Q.3

Q.6 And for which ones are you willing to buy in the next 3 months?
Purchase intention of local brands for personal and beauty care products reflects current situation. Make-up shows most potential.

Focus on local brands: % of shoppers who buy/will buy local brands for PERSONAL CARE – Total Europe

- Big / International brands
- Local / National brands
- A good balance between big and local brands

Q.5 For which of the following types of products you happen to buy currently are local brands products? Respondent’s basis: shoppers who buy local brands and a good balance between local and big brands from Q.3

- Make up products / perfumery:
  - Currently: 12%
  - Next 3 months: 15%
- Body care products:
  - Currently: 17%
  - Next 3 months: 18%
- Face care products (creams, detergents, tonic…):
  - Currently: 15%
  - Next 3 months: 16%
- Hair care products:
  - Currently: 16%
  - Next 3 months: 17%

Q.6 And for which ones are you willing to buy in the next 3 months?
Within packaged foods, jam, honey, oil and vinegar top the list for non local brand buyers who intend to buy more home country products.

% of shoppers who intend to buy local PACKAGED FOOD brands among current non-buyers – Total Europe

Q.9 For which of the following types of products are you willing to buy local brand products in the next 3 months?

Respondent base: shoppers who do not currently buy local brands from Q.3 but declare an intention to buy at Q.8
A stronger proportion of non-buyers are prepared to consider purchases of locally sourced fresh food products, mainly dairy based.

% of shoppers who intend to buy local FRESH FOOD brands among current non-buyers – Total Europe

Q.9 For which of the following types of products are you willing to buy local brand products in the next 3 months?
Respondent’s basis: shoppers who do not currently buy local brands from Q.3 but declare an intention to buy at Q.8

- Eggs: 57%
- Cheese: 54%
- Milk: 47%
- Yoghurt: 36%
- Cold cuts: 33%
- Smoothies / Fruit juices: 17%
A third of non local brand buyers intend to buy more local wine

% of shoppers who intend to buy local ALCOHOLIC BEVERAGE brands among current non-buyers – Total Europe

Q.9 For which of the following types of products are you willing to buy local brand products in the next 3 months?

Respondent's basis: shoppers who do not currently buy local brands from Q.3 but declare an intention to buy at Q.8
Intention to buy more local P&B care products is comparably low for non buyers vs other key macro categories

% of shoppers who intend to buy local PERSONAL & BEAUTY CARE brands among current non buyers – Total Europe

Q.9 For which of the following types of products are you willing to buy local brand products in the next 3 months?
Respondent's basis: shoppers who do not currently buy local brands from Q.3 but declare an intention to buy at Q.8
Local brands products have a positive profile but shoppers do not recognise them for innovation, good prices and usage of renewable energies.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Local brands</th>
<th>To both</th>
<th>Big brands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have environmental friendly packaging</td>
<td>48%</td>
<td>34%</td>
<td>18%</td>
</tr>
<tr>
<td>Products have a short journey before arriving to stores</td>
<td>67%</td>
<td>19%</td>
<td>14%</td>
</tr>
<tr>
<td>Fairness, transparency, honesty, integrity</td>
<td>45%</td>
<td>38%</td>
<td>17%</td>
</tr>
<tr>
<td>Respect environment and resources of territory</td>
<td>55%</td>
<td>30%</td>
<td>14%</td>
</tr>
<tr>
<td>Use alternative &amp; renewable energies</td>
<td>32%</td>
<td>42%</td>
<td>26%</td>
</tr>
<tr>
<td>Clear origin and production method</td>
<td>50%</td>
<td>31%</td>
<td>19%</td>
</tr>
<tr>
<td>They have healthy food</td>
<td>51%</td>
<td>35%</td>
<td>15%</td>
</tr>
<tr>
<td>They have Km &quot;0&quot; products</td>
<td>63%</td>
<td>23%</td>
<td>14%</td>
</tr>
<tr>
<td>They have organic products</td>
<td>51%</td>
<td>34%</td>
<td>16%</td>
</tr>
<tr>
<td>They have innovative products</td>
<td>20%</td>
<td>33%</td>
<td>47%</td>
</tr>
<tr>
<td>They have good prices</td>
<td>24%</td>
<td>35%</td>
<td>41%</td>
</tr>
<tr>
<td>They have premium quality products</td>
<td>43%</td>
<td>36%</td>
<td>21%</td>
</tr>
</tbody>
</table>

Q.11 For the following statements we ask you please to indicate if it applies better to local brands or big brands. Respondent’s basis: total sample.
6 Millennials out of 10 are Internet information seekers, but search frequency is higher among people > 34 y.o. 

Sources of information and information search frequency online – Total Europe

 Millennials use the Internet more than people aged > 34 to look for information on products and stores but information search frequency on the the Internet is higher among >34 y.o. → once every two weeks vs once every three weeks of Millennials

Q.17 Which are the ways you use to get information about stores and products - Q.18 How frequently do you use the Internet to get information about …
Respondent base: total sample
Social, blog, YouTube, producer’s websites and advertising on social media are the main sources used by Millennial information seekers

Focus on the Internet as information source – Total Europe

<table>
<thead>
<tr>
<th>New products</th>
<th>Stores with interesting promotions</th>
<th>Stores with specific products</th>
<th>Grocery product’s rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social, blog, app, forums, reviews</td>
<td>Advertising on social networks</td>
<td>Producers/stores websites</td>
<td>Retailers app</td>
</tr>
<tr>
<td>YouTube</td>
<td>Newspaper/tv/radio websites</td>
<td>25%</td>
<td>15%</td>
</tr>
<tr>
<td>Advertising on social networks</td>
<td>Producers/stores websites</td>
<td>11%</td>
<td>16%</td>
</tr>
<tr>
<td>Producers/stores websites</td>
<td>Newspaper/tv/radio websites</td>
<td>22%</td>
<td>16%</td>
</tr>
<tr>
<td>Newspaper/tv/radio websites</td>
<td>Retailers app</td>
<td>21%</td>
<td>16%</td>
</tr>
</tbody>
</table>

Q.17 Which are the ways you use to get information about stores and products - Q.18 How frequently do you use the Internet to get information about …

Respondent base: total sample
Time saving, flexibility and assortment are favourable reasons for Millennials to shop online. Home delivery is more essential for those 34 y.o and over.

Key benefits of online versus brick & mortar grocery shopping – Total Europe

Q.21 Which points of difference for grocery shopping online are more relevant to you compared to grocery shopping in stores (brick and mortar)?
Respondent's basis: total sample
Almost a third of the European population are members of grocery products buying groups, especially young Millennials

Buying group’s memberships – Total Europe

Note: the answer “No” includes also a quota of respondents who declare the service is not available in the region/city they live in. It amounts to 17% at Total EU level.

Q.16 Are you associated to buying groups (i.e. local food cooperatives/groups…. ) where also unbranded products such as meat, fish, cheese, fruit & vegetables are sold?
Respondent’s basis: total sample
THANK YOU!

For More Information, Contact Us…

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