



nielsen

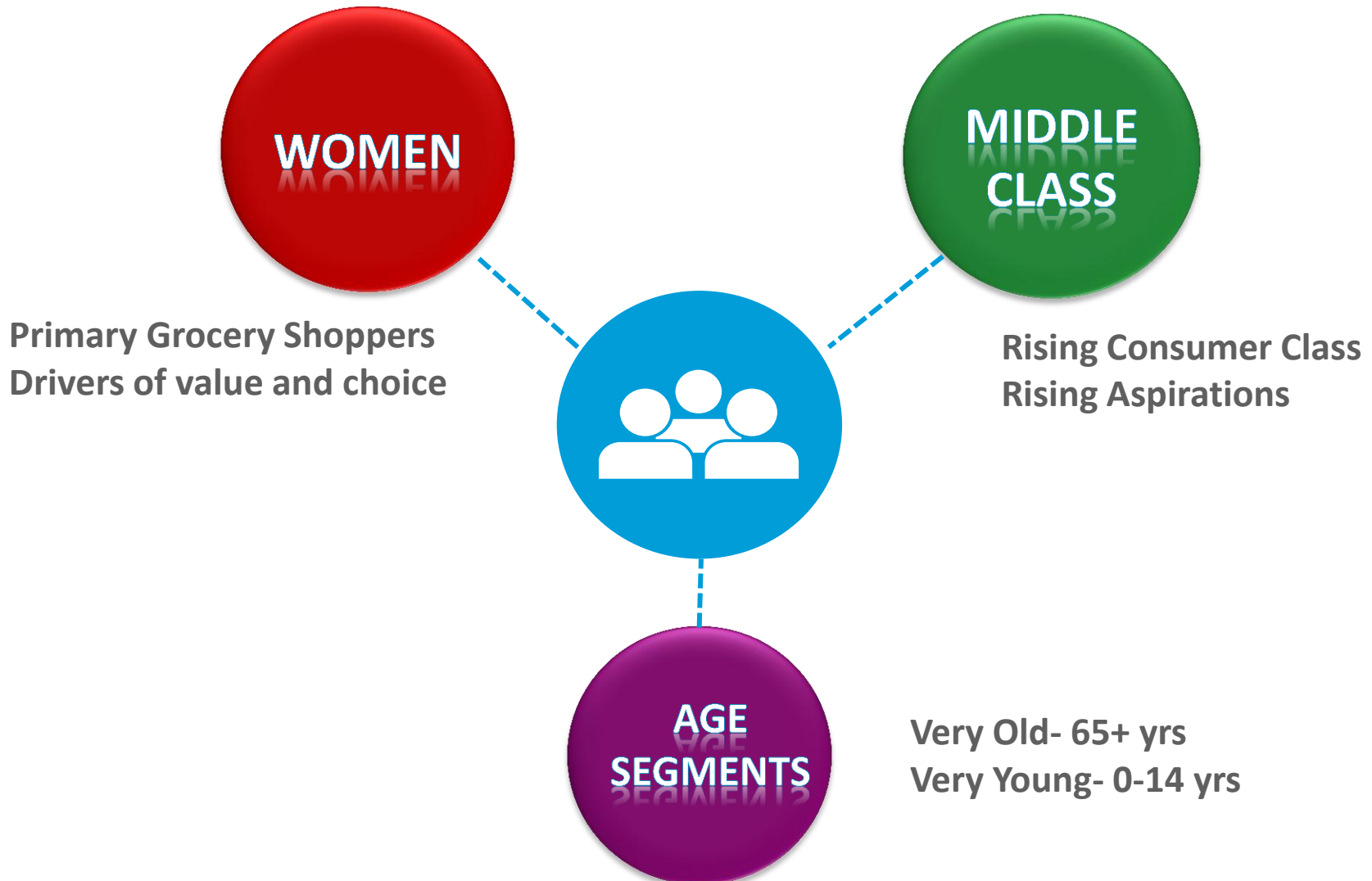
16<sup>TH</sup>, APRCE ISTANBUL 2013  
**NEW CONSUMER**

25 SEPTEMBER 2013

SHIN, EUNHEE / CINDY

MANAGING DIR. KOREA & JAPAN

# WHO IS EMERGING CONSUMER?



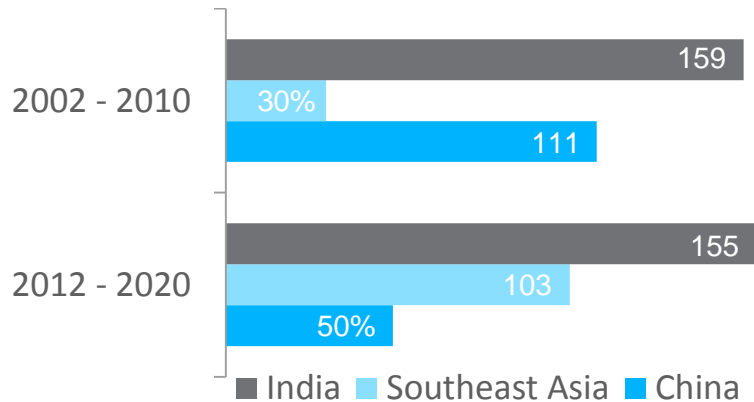
# ASIA HAS A BURGEONING MIDDLE CLASS POPULATION



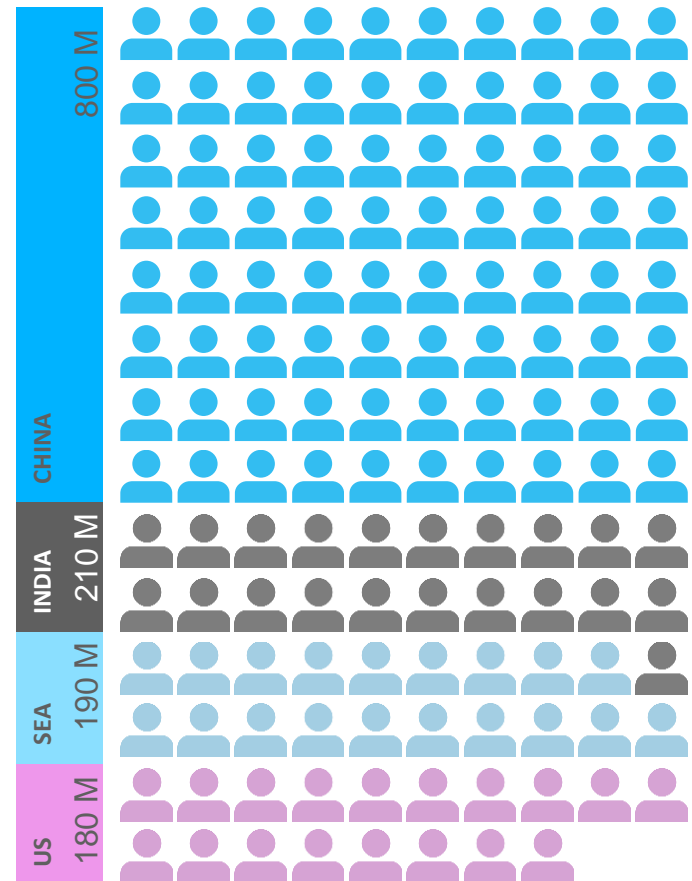
## 52%

of the world's  
middle class  
will live in Asia  
in the next 10  
years

### PERCENTAGE GROWTH OF ASIA'S MIDDLE CLASS

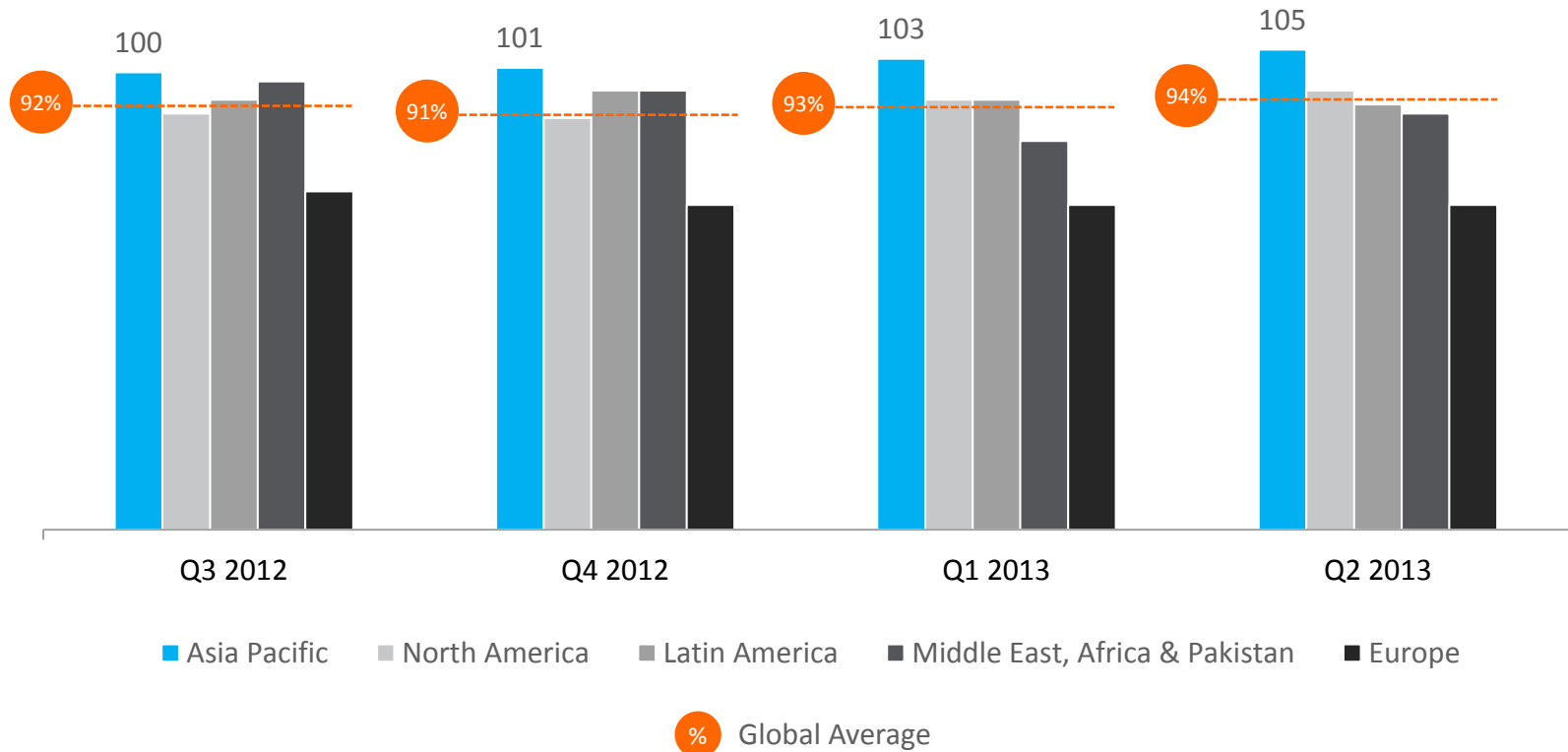


### NUMBER OF MIDDLE CLASS CONSUMERS IN 2012



# ASIAN CONSUMERS ARE THE WORLD'S MOST OPTIMISTIC

NIELSEN GLOBAL CONSUMER CONFIDENCE INDEX



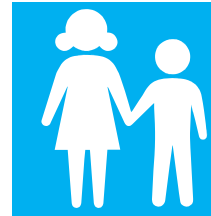
# DIFFERENT STROKES FOR DIFFERENT FOLKS

## DEMOGRAPHIC “TAX”

Ageing markets – Korea, Japan, Singapore and China



*Phenomenon of ‘Single’ households  
Reduction in Family size*



## DEMOGRAPHIC “DIVIDEND”

India, Indonesia, Philippines

## CHANGING THE WAY WE WORK, LIVE AND PLAY



NEED TO CONNECT



HEALTHCARE MATTERS



AGING POPULATION



SOCIAL NETWORK



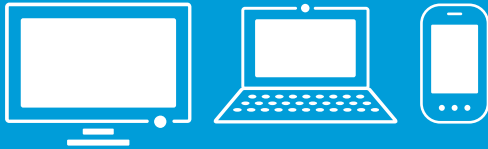
MUSIC & MULTIMEDIA



GAMING

# CONSUMER NEVER STOPS CHAGNING

**WATCH**



**BUY**



# EVOLVING SHOPPING CHANNELS



# NEW STORE OPENINGS DRIVE THE SHIFT

Significant opportunity remains

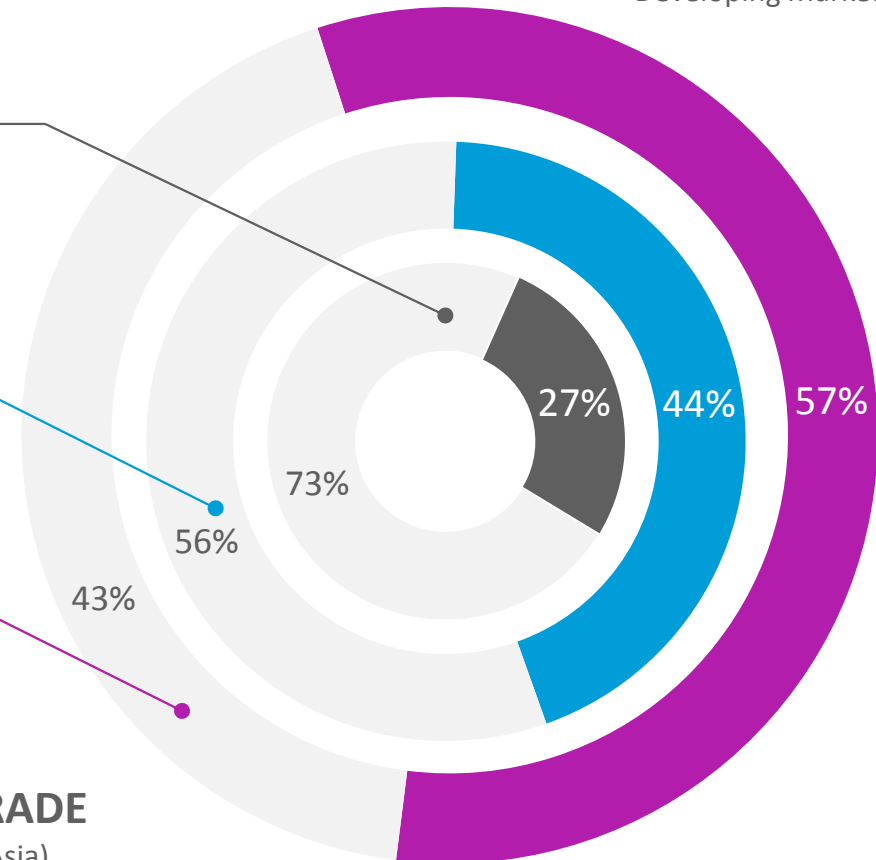
**MODERN TRADE**  
Developing Markets (Asia)

**Retail** in developing Asian countries **start to modernize**

**56%** of **today's** retail landscape is still **up for grabs**

Organic growth **tomorrow** will only capture **13ppts**

**TRADITIONAL TRADE**  
Developing Markets (Asia)



Source: Nielsen Retail Index | Share of Packaged FMCG Sales

■ 1999 ■ 2012 ■ 2020



## RETAILERS INVESTMENT MOVING TO SMALLER STORES FORMATS



MINI-MARKETS



CONVENIENCE  
STORES



SUPERMARKETS  
HYPERMARKETS

# FROM BAG TO BYTE: NORTH ASIA LEADING ONLINE GROCERY SHOPPING



- Strongest growth in Korea, China, Taiwan
- 75% of Shoppers in Korea buy FMCG products online monthly
- Low penetration in most other countries but retailers actively exploring online strategy

# SHOPPING HABITS WILL CHANGES



MORE FREQUENT SHOPPING &  
**SMALLER BASKETS**



MORE ONLINE  
REPLENISHMENT



MORE INTEREST  
IN **LOCAL STORES**



**SMALL HOME  
FURNISHINGS**  
WILL CONTINUE TO THRIVE

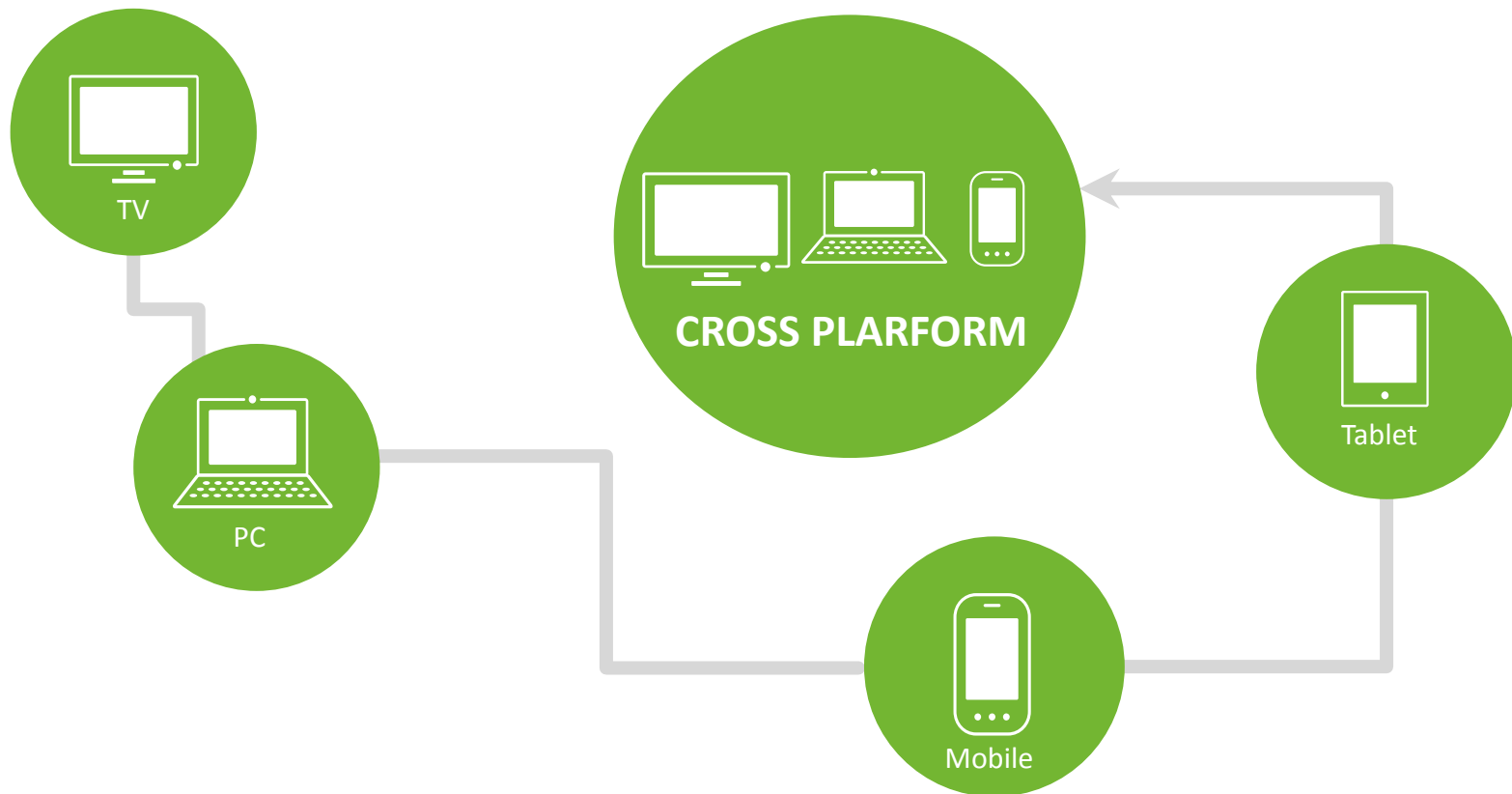


**FURNITURE &  
APPLIANCES**  
WILL BE SMALLER



**SMALLER  
PACK SIZES**  
DUE TO LESS STORAGE

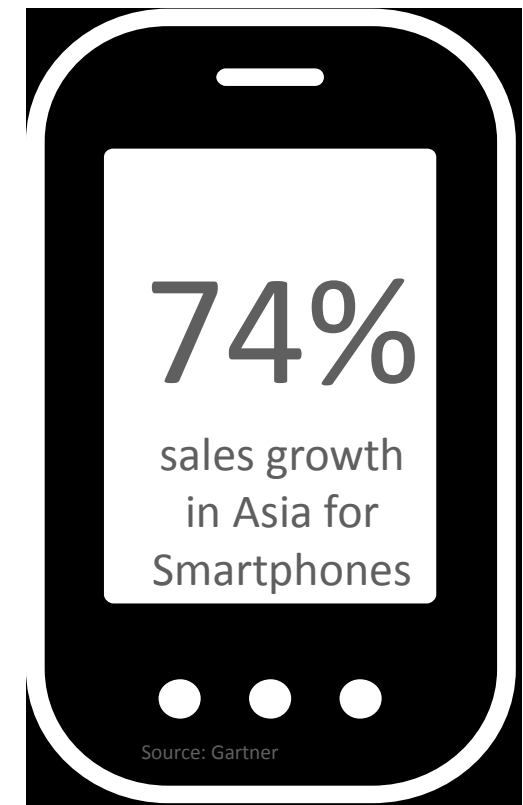
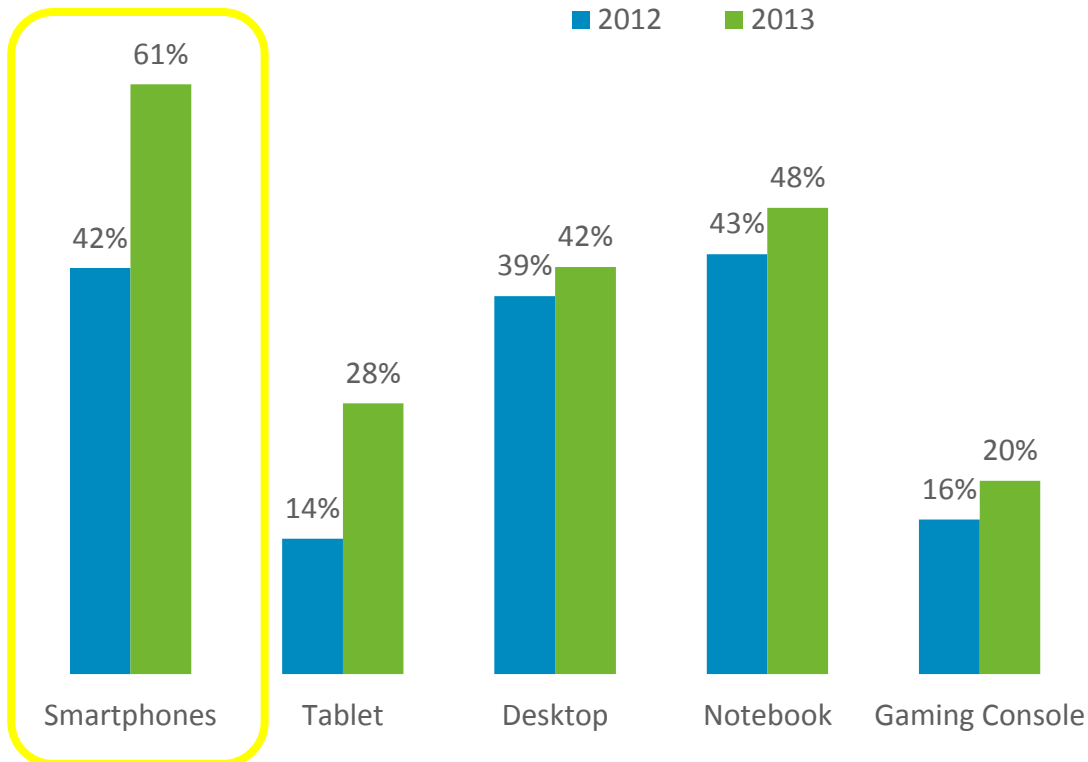
# TRANSFORMATION OF MEDIA PLATFORM



# SMARTPHONES LEAD THE CHANGE IN ASIA

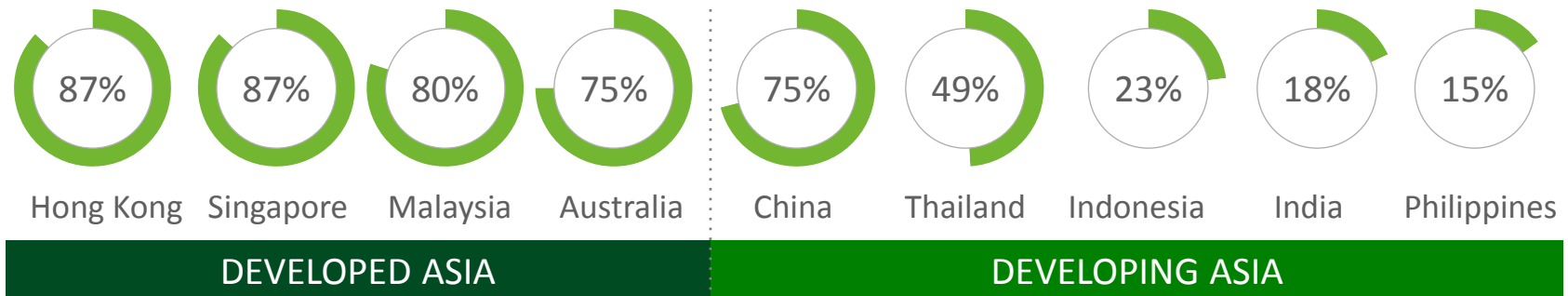
Device Ownership

■ 2012 ■ 2013

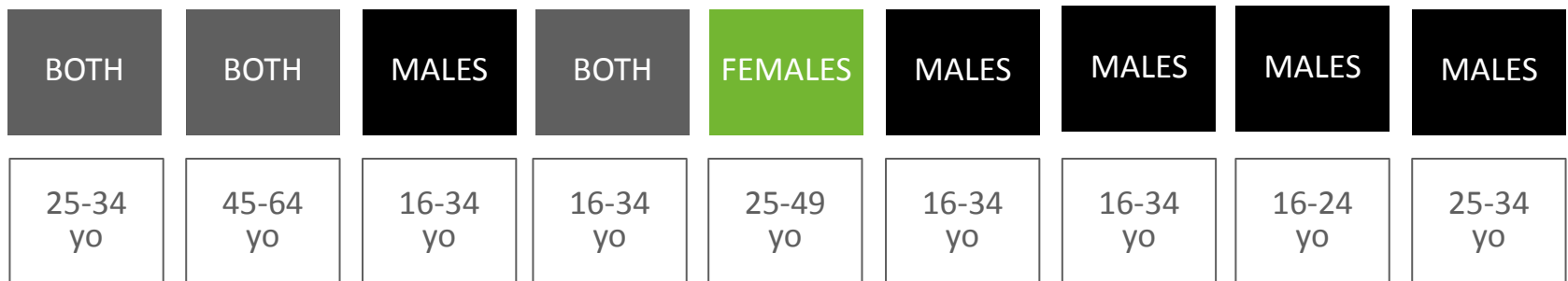


# YOUNGER CONSUMERS ARE DRIVING ADOPTION IN MOST MARKETS

## SMARTPHONE OWNERSHIP AMONG MOBILE PHONE USERS



## ADOPTION DRIVEN BY



# “MY PHONE IS MY LIFE”, “MY LIFE IS IN MY PHONE!”



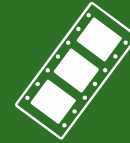
**89% of  
Japanese**

Smartphone users visit  
M commerce Apps or  
Websites



**86% of  
Chinese**

Smartphone owners played  
Games on their Smartphone  
in the last 1 month



**42% of  
Indian**

Smartphone users  
watch mobile videos



**40% of  
Korea & China**

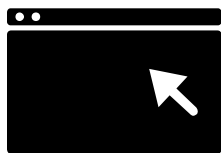
Smartphone owners in  
use their devices while  
shopping



**88% of  
Indonesian**

Smartphone users  
used a Camera App in  
the last 1 month

# MOBILE AS A MARKETING MEDIUM



Browsing products  
through websites or  
Apps

44% 17%

DEVELOPED

DEVELOPING



Purchasing products

20% 12%

DEVELOPED

DEVELOPING



Reading online  
product reviews

38% 15%

DEVELOPED

DEVELOPING



Scanning a barcode for  
price/product information

14% 10%

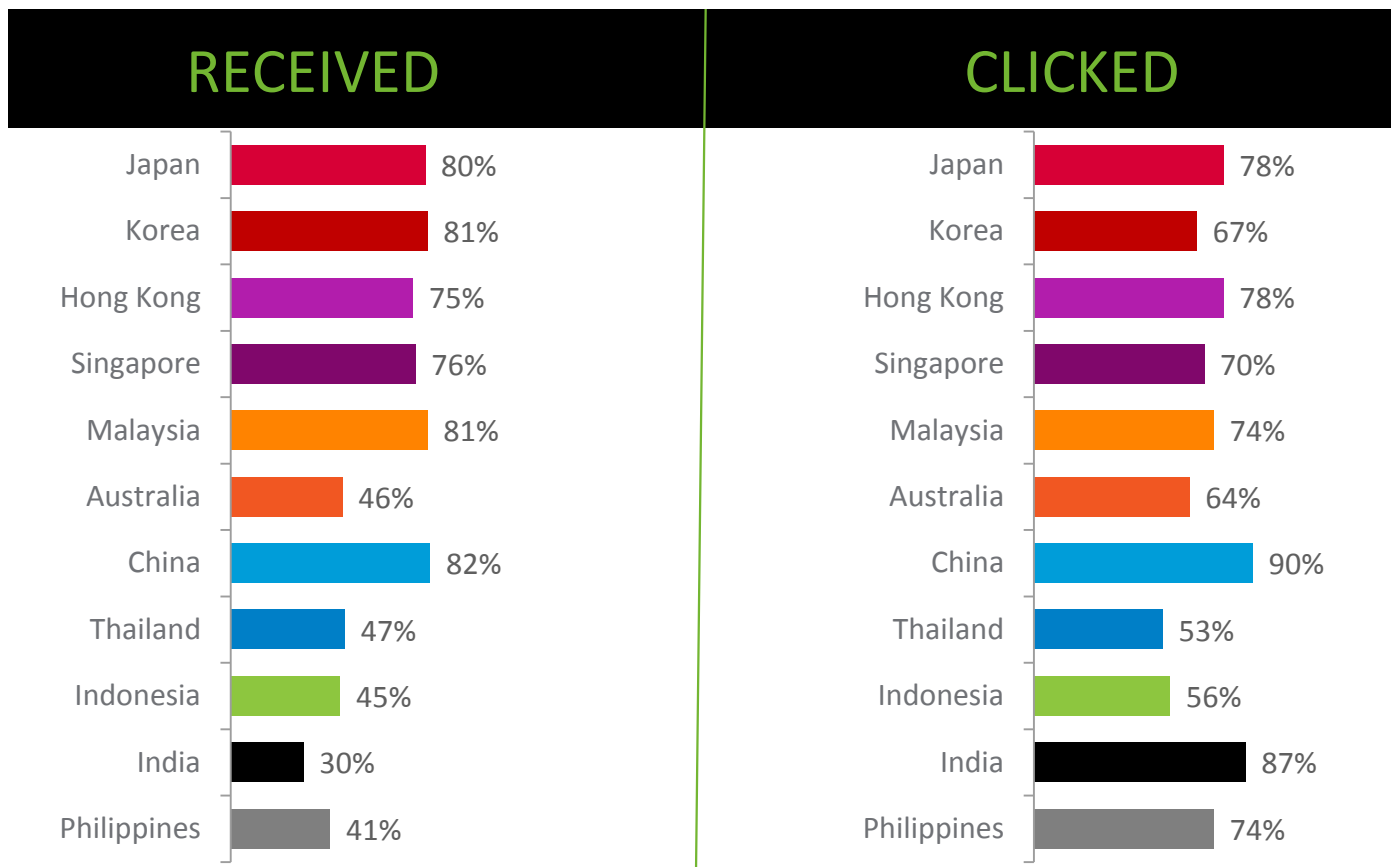
DEVELOPED

DEVELOPING



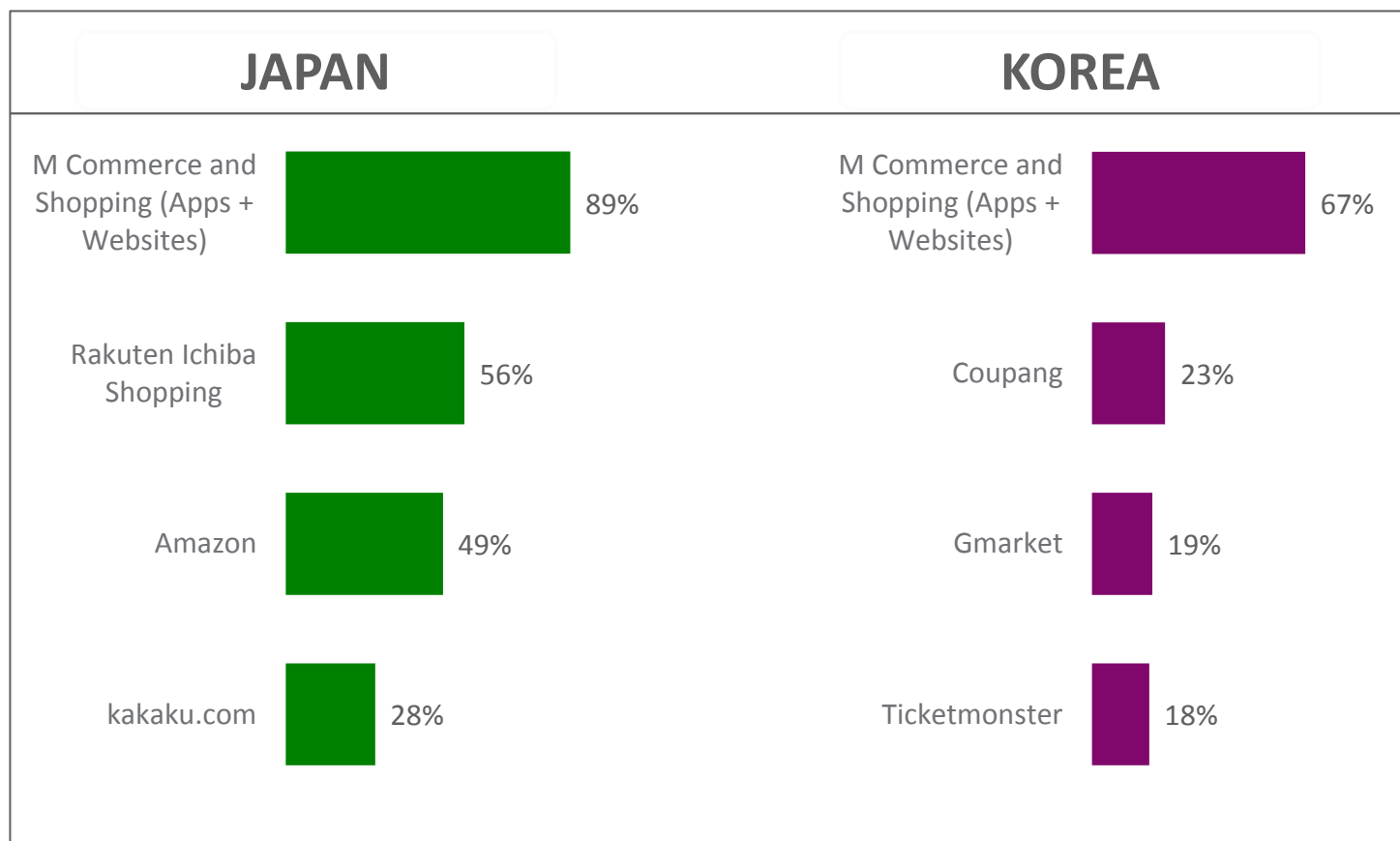
# ASIAN CONSUMERS ARE RECEPTIVE TO MOBILE ADS

## MOBILE ADVERTISING IN LAST 30 DAYS



# SEASONED MOBILE SHOPPERS HAIL FROM JAPAN AND KOREA

## M-COMMERCE IN LAST 30 DAYS





## KOREA!!

LEADING HIGH TECH,  
CULTURAL POWERHOUSE  
COUNTRY

48 million PEOPLE

Over 50% MIDDLE CLASS

8<sup>th</sup>, World LARGEST EXPORTER

G20 Ranked 15th GDP in 2012

# TRULY OUTWARD-LOOKING COUNTRY WITH WORLD-RENOWNED COMPANIES & PRODUCTS



**GLOBAL NO.1** in m/s  
Smart phone (Samsung)



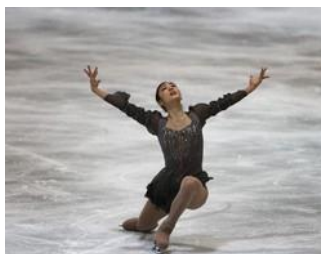
**GLOBAL NO.1** in M/S  
LCD panel (LG)



Having **13 COMPANIES** included in **FORTUNE 500** companies (2012)



**NO.1 SNACK BRAND IN CHINA&VIETNAM**  
Choco-pie (Orion)



**WORLD NO.1** in figure skating  
Kim, Yuna



**GLOBAL NO.4** in business profit  
Motor (Hyundai Motors)



**GLOBAL NO.1** in m/s  
TV (Samsung)



**GLOBAL NO.1** in tax free shop sales  
Incheon Airport Tax-free shop



**GLOBAL NO.1** in you-tube viewing  
PSY's Gangnam-Style

# SMALL HOUSEHOLD, AGING CONSUMERS ARE LOOKING FOR VALUE CONSUMPTION



## MOBILITY

Mobile consumption regardless of place and time is continuously increasing thanks to high mobile device penetration rate in Korea



## FAMILY 2.0 & AGING

Family-oriented consumption is increasing with 'Beta daddy' and 'Beta mom's appearance



## HEALTH MATTERS

Big concern on healthcare  
Organic brands are highly preferred



## ALPHA GREEN

Willing to pay extra for 'Green' product with practical benefits



## BRAVO SENIOR LIFE

Middle-aged 'Baby boom' generation is actively seeking for opportunity to enjoy their middle age life.



## MALLING

Enjoy leisure activities in large-scale shopping complex



## HOBBY HOLIC

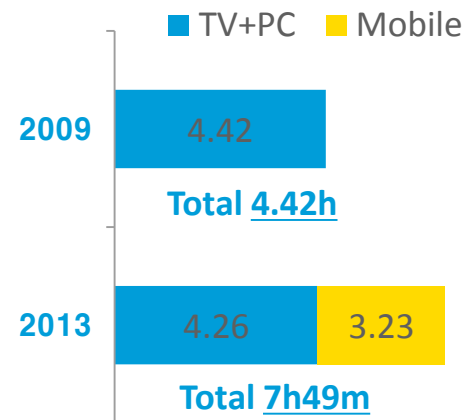
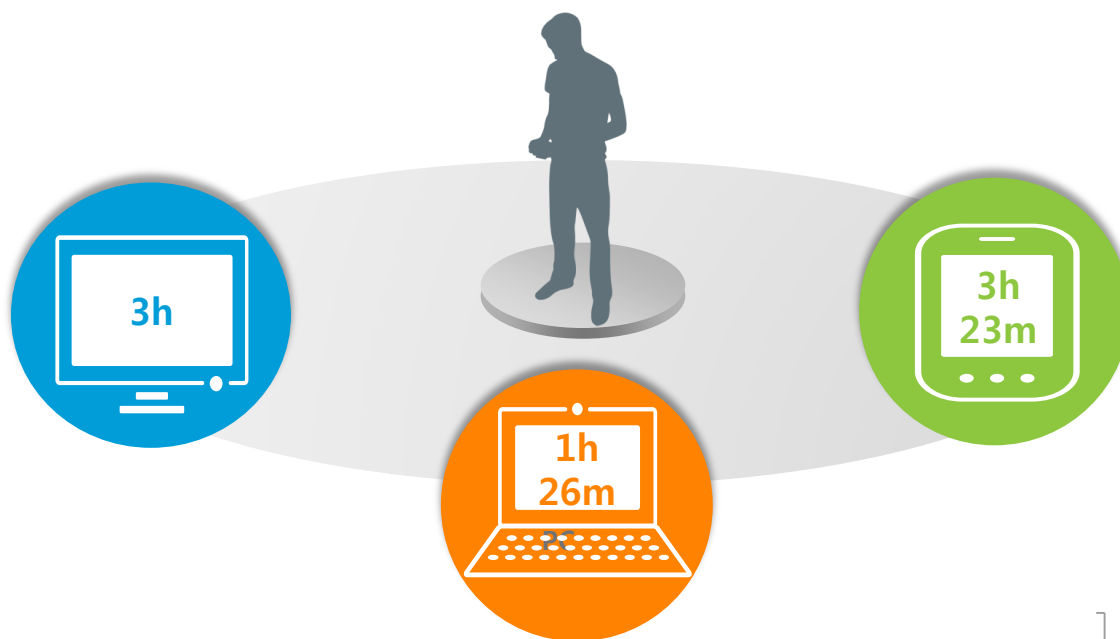
Online community-based hobby club attracts Korean consumers pursuing work & life balance



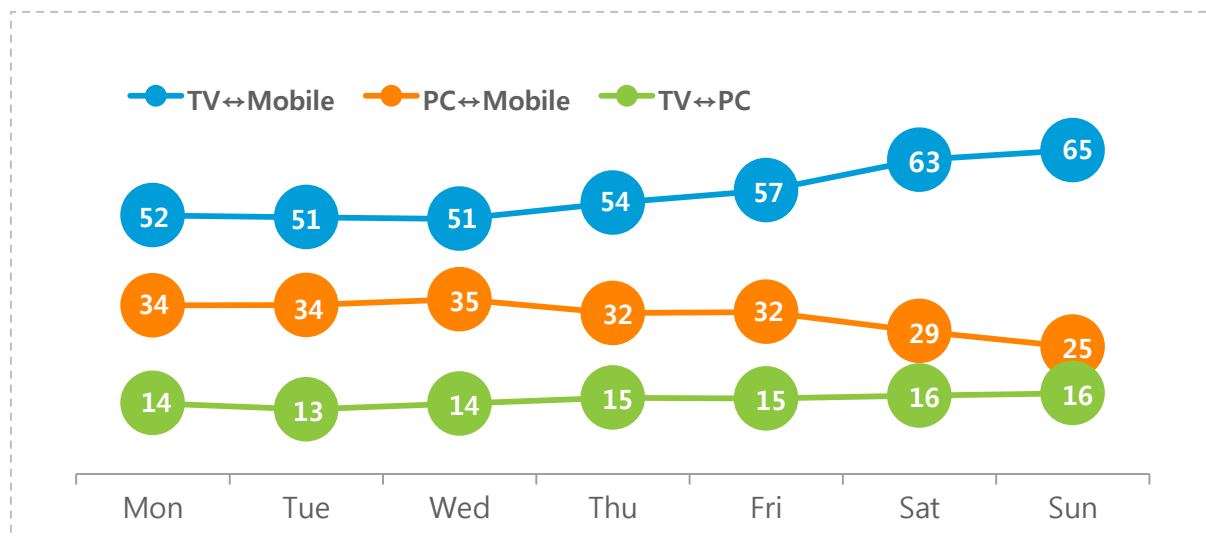
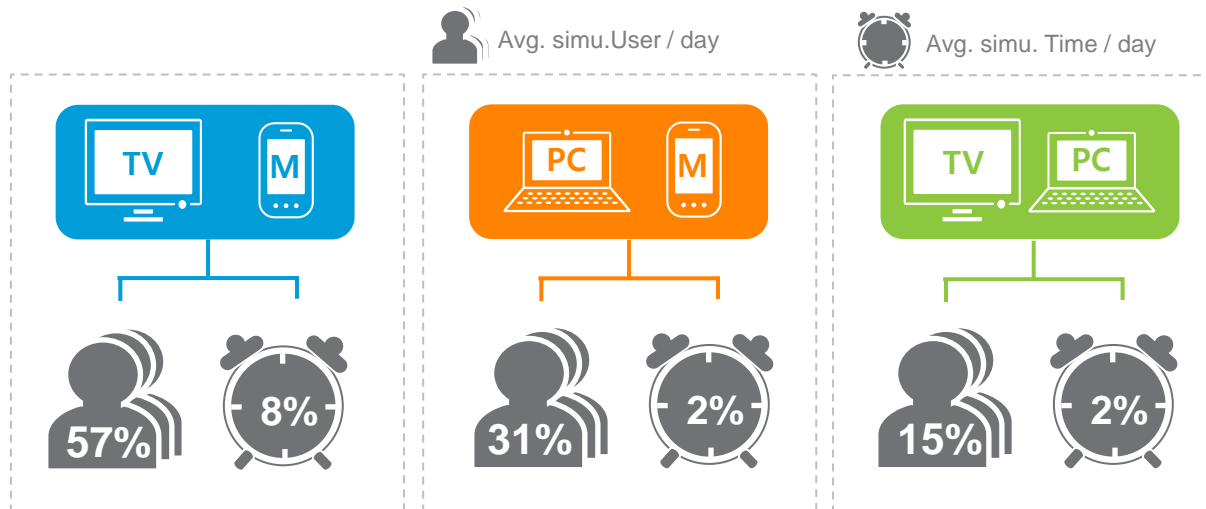
## U-PATTERN CONSUMPTION

Extremely big and small expenditure on specific items

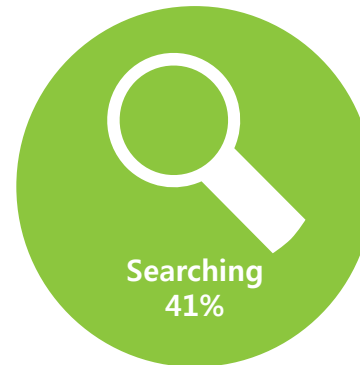
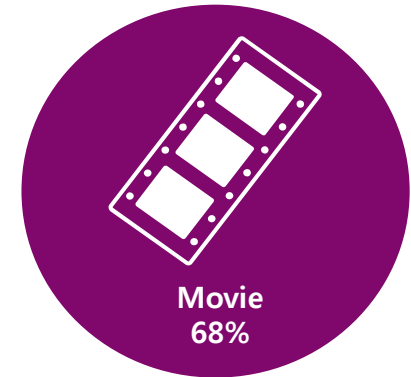
# TIME SPENDING INCREASED BY ADDING MOBILE USAGE ON TOP



# USING MEDIA PLATFORM SIMULTANEOUSLY TO MAXIMIZE TIME VALUE



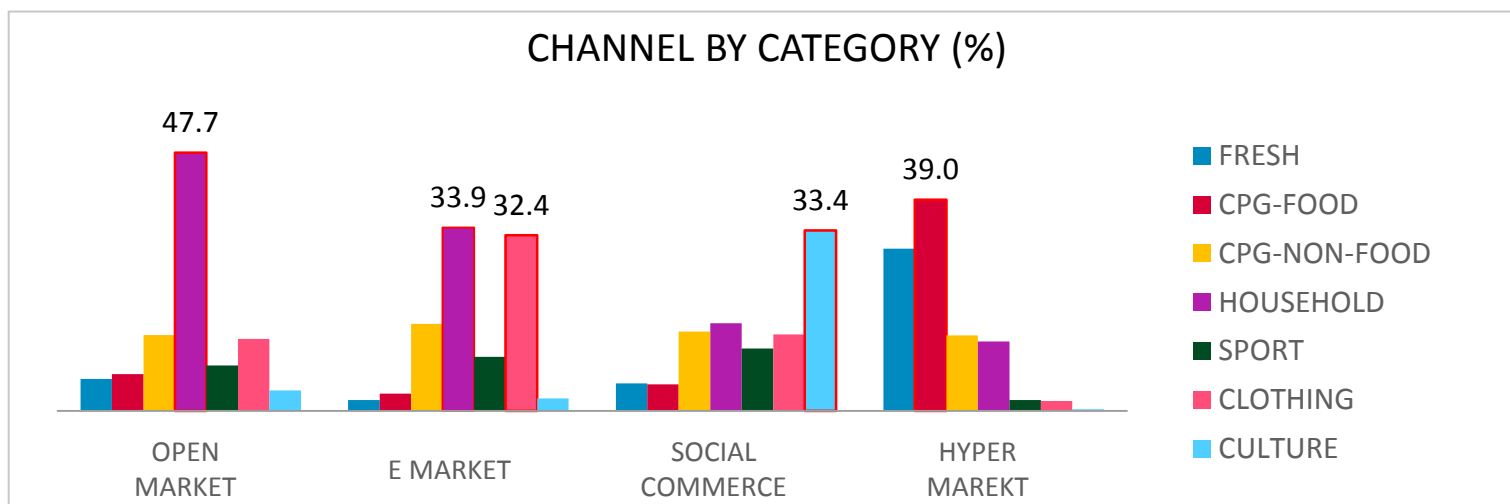
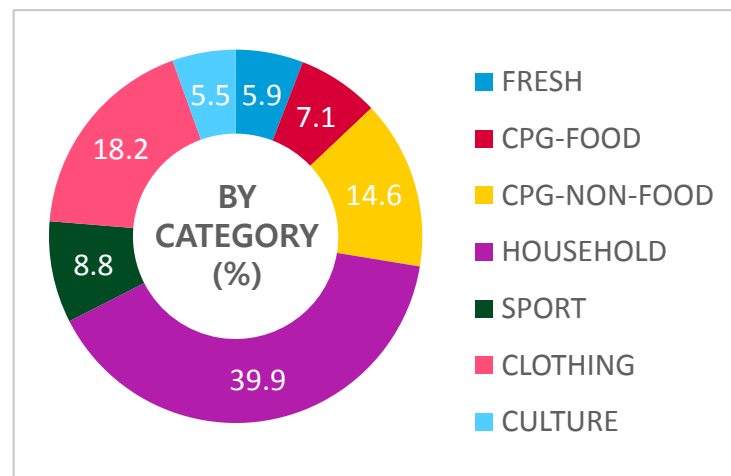
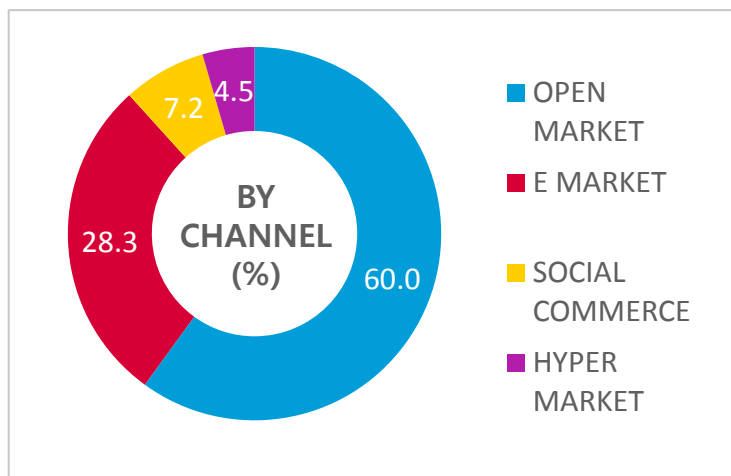
# CONSUMERS ARE CONNECTED, AND DO SHOPPING THRU MEDIA PLATFORM



Source : Nielsen Koreanclick e-Commerce Behavioral Data. (READING RATE)

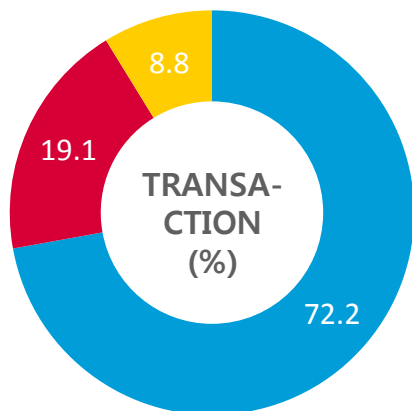


# BUY NON-FOOD ITEMS AT PURE E-TAILER, DIFFER IN HYPERMARKET AND SOCIAL COMMERCE



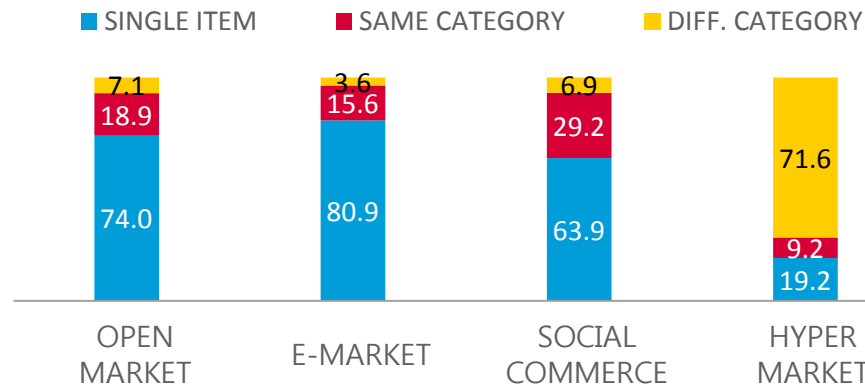
Source : Nielsen Koreanclick e-Commerce Behavioral Data. (2013.06)

# MOSTELY BUY 1 ITEM AT PURE E-TAILER, DIFFER IN HYPERMARKET

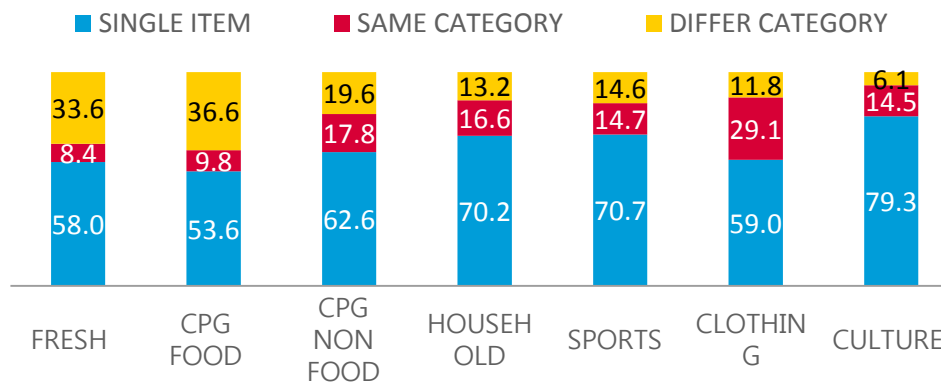


■ SINGLE ITEM  
■ SAME CATEGORY  
■ DIFF. CATEGORY

## BY CHANNEL

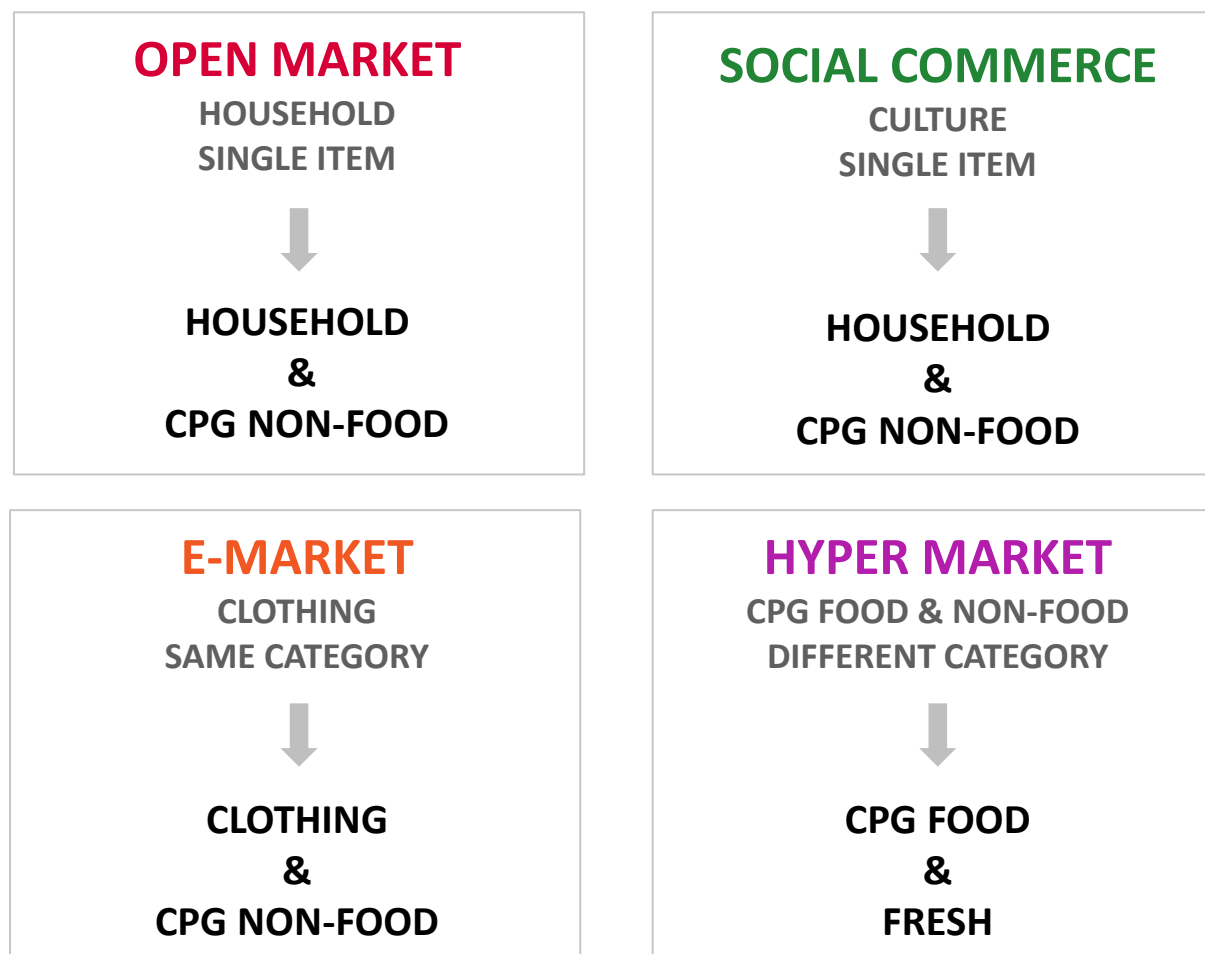


## BY CATEGORY



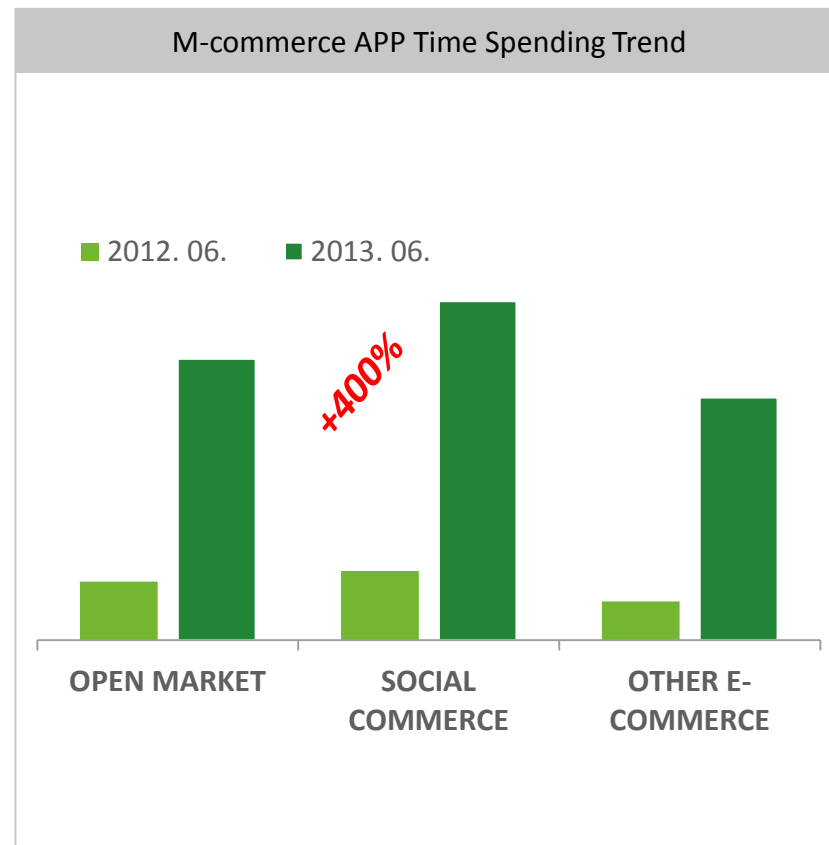
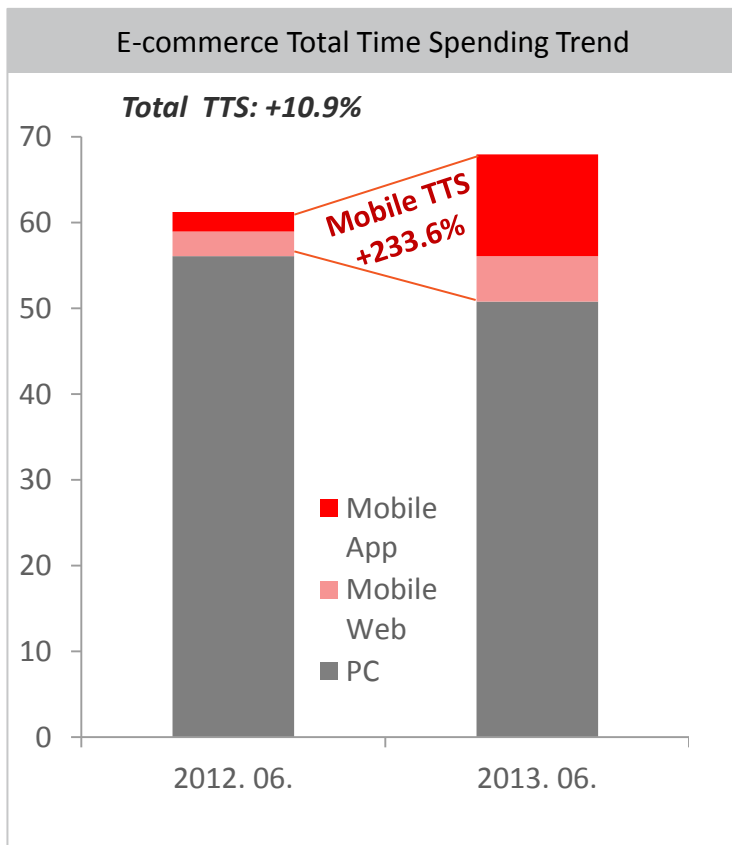
Source : Nielsen Koreanclick e-Commerce Behavioral Data. (2013.03~2013.05)

# DIFFERENT PRUCHASE BEHAVIOUR BY CHANNEL, CATEGORY AND PRUCHASING FREQUENCY



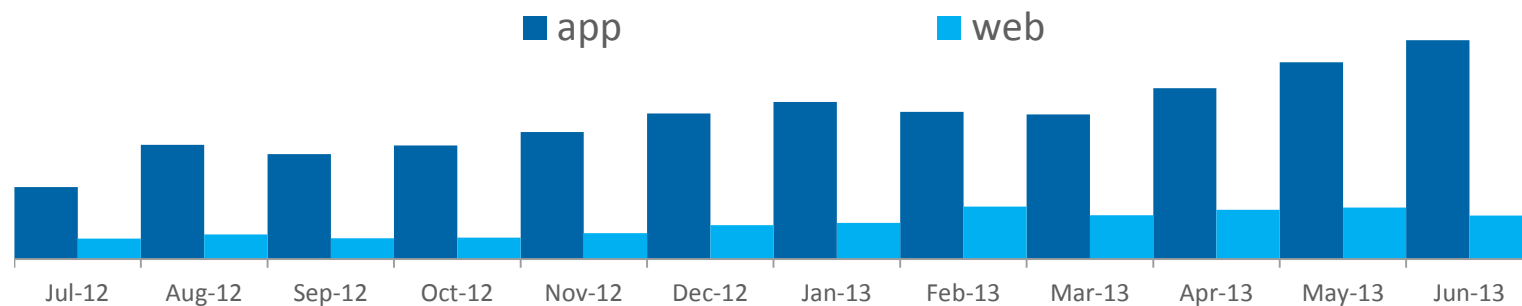
Source : Nielsen Koreanclick e-Commerce Behavioral Data. (2013.03~2013.05)

# E-COMMERCE TO M-COMMERCE



Source : Nielsen-Koreanclick PC/Mobile Behavioral Data (2013.06)

# SOCIAL COMMERCE LEAD M-COMMERCE



## CONSUMERS...

- ❖ 20~30 AGE
- ❖ CUSTOMIZED OFFER
- ❖ CURATION TYPE SHOPPING
- ❖ MAXIMIZING TIME VALUE

## RETAILERS...

- ❖ HOT TIME ANALYSIS
- ❖ ENHANCE PROMOTION
- ❖ ENLARGE ASSORTMENT
- ❖ UI RENEWAL

# REACH

# RESONANCE

# REACTION

## INCREASING

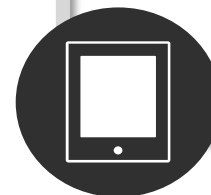
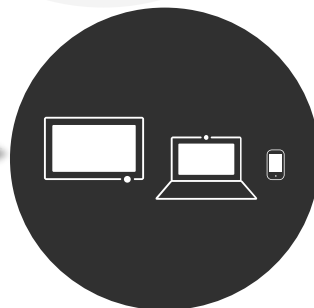
- USABLE MEDIA PLATFORM
- MEDIA TIME SPENDING

## DECREASING

- MEDIA CONCENTRATIVENESS
- CHANNEL LOYALTY

## OPTIMIZING

- DIGITAL MARKETING MIX
- MERCHANDISING MIX





# IT'S TIME TO ACT DIFFERENTLY

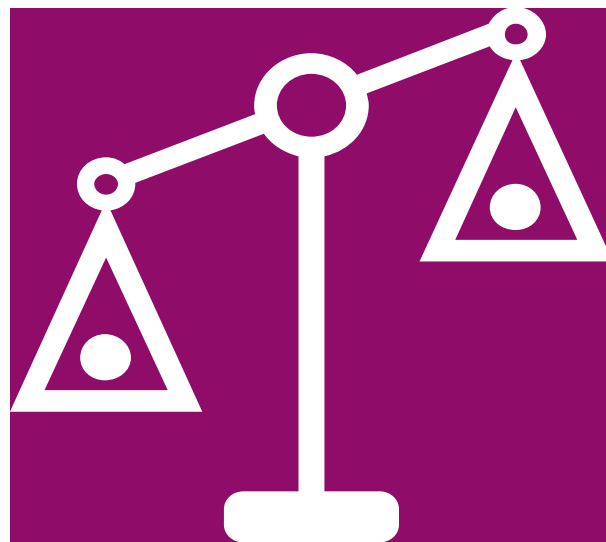
## UNDERSTANDING NEW CONSUMER

- ❖ MIDDLE CLASS, WOMAN, YOUNG & OLD
- ❖ SIMULTANEOUS CROSS PLATFORM USER
- ❖ CONNECTED DIGITAL SHOPPER
- ❖ LOOKING FOR VALUE

# SUPERCARGE TO WIN

Making the right bets in establishing...

**EMOTIONAL  
CONNECTION  
WITH YOUR  
CONSUMER**



**CONSUMER  
FORESIGHT TO  
GUIDE YOUR  
STRATEGY**



The background features a dark blue gradient. On the right side, there is a complex pattern of thin, curved lines in various colors (blue, green, yellow, red, purple) that create a sense of depth and movement, resembling a wireframe or a stylized globe. Several small, colored dots (blue, green, yellow, red) are scattered across the upper half of the image, some connected by thin lines.

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THANK YOU!