Consumer X or the future of consumption

The Portuguese Clipfish consumer
Kantar’s point of view
Marta Santos
Client Director, at Kantar Worldpanel
HH’S PANEL

MEASURES WHAT THE HH PURCHASES

It collects the purchases made in all type of establishments (not only in Hypermarkets and Supermarkets, Perfumeries, Fairs, Catalog ... etc) destined to the HOMES.

It allows to know constantly the response of buyers to actions of PRICES, ADVERTISING, TRADE ...

It allows to MAKE ANALYZES ON THE MODERN DISTRIBUTION

Sample

4.000 Households

Scope:

Universe: Homes of Continental Portugal
Complete coverage of distribution channels for consumer products

2017 Universe:
4.053.863 Household of Mainland of Portugal

All household members enter the purchases they make
All FMCG products are included: all categories
Purchases of products without a bar code are collected through a Codebook
SHOPPER'S NEEDS CHANGE: MORE WELLBEING AND CONVENIENCE

HIGHLY ENGAGED WITH “PROMO” AND “PRICE”

- "I SEARCH THE PRODUCTS IN PROMOTION"
  - 89% vs 2014
  - -2.6pp vs 2014

- "I DO NOT MIND PAYING MORE FOR QUALITY"
  - 66% vs 2014
  - +10.4pp vs 2014

MORE “HEALTHY”

- "NOWADAYS I EAT LESS FATS"
  - 78% vs 2014
  - +1.3pp vs 2014

MORE “CONVENIENCE”

- "I AM WILLING TO PAY MORE FOR PRODUCTS THAT MAKE IT EASIER FOR ME TO DO THE HOUSEWORK"
  - 52% vs 2014
  - +24.5pp vs 2014

MORE INFORMED

- "I AM INFORMED ABOUT THE PRODUCTS IN TV ADS"
  - 45% vs 2014
  - +15.6pp vs 2014

Kantar Worldpanel Life Styles: % of Household’s that agree with the statement, 2017 vs 2014
FMCG DECOUPLED FROM ECONOMIC GROWTH

% YEAR ON YEAR VALUE GROWTH

Global FMCG

Global GDP
GROWING PENETRATION IS THE ONLY WAY TO WIN

The graph shows the relationship between penetration and frequency per buyer. The text indicates that penetration is more variable than frequency.
COD ATTRACTIVENESS IS INCREASINGLY DIFFICULT

TOTAL CODFISH | % Penetration – Rolling Mat

2012 | 91.2
2013 | 89.8
2014 | 89.4
2015 | 88.1
2016 | 88.2
2017 | 87.3
AND STILL IN THE HEART OF PORTUGUESE HABITS

“TRADITION IS STILL ALIVE”

“I try to choose traditional dishes”

54%
LESS TYPICAL DISHES

CONSUMPTION | FOOD * | 2016 vs 2015

- COLD / WITHOUT COOKING: +7.5%
  - 20% OCCASIONS SHARE

- BOILED: +2.1%
  - 16.1% OCCASIONS SHARE

- GRILLED: -0.2%
  - 5.8% OCCASIONS SHARE

- FRIED: +11.7%
  - 5.2% OCCASIONS SHARE

- STEWED: +12.9%
  - 4.4% OCCASIONS SHARE

- OVEN: +19.1%
  - 4.1% OCCASIONS SHARE

* FOOD: Fresh, Frozen and Salted and Sweet Groceries
It seems like I never have spare time

2017 vs 2011
-2.4%

In some products, I prefer the speed and ease of preparation

2017 vs 2011
+15.4%

I have enough time to cook

2017 vs 2011
59.6% -7.7%
CONVENIENT SOLUTION: FROZEN COD

FROZEN COD vs DRIED COD | PER CAPITA CONSUMPTION | ROLLING MAT

**DRIED COD**

**FROZEN COD**

Consumo per Capita
Linear (Consumo per Capita)
### OCCASIONS EVOLUTION IN % - USAGE 2015 VS USAGE 2014

<table>
<thead>
<tr>
<th>Category</th>
<th>Carbohydrates</th>
<th>Protein</th>
</tr>
</thead>
<tbody>
<tr>
<td>COD The Most Impacted Protein</td>
<td>-15%</td>
<td>-13%</td>
</tr>
<tr>
<td>Cooking Flour + Baking Powder</td>
<td>-26,1%</td>
<td></td>
</tr>
<tr>
<td>Potatoes</td>
<td>-18,0%</td>
<td></td>
</tr>
<tr>
<td>Dry Vegetables</td>
<td>-16,4%</td>
<td></td>
</tr>
<tr>
<td>Cooking &amp; Olive Oils</td>
<td>-15,3%</td>
<td></td>
</tr>
<tr>
<td>Sauces &amp; Seasonings</td>
<td>-13,6%</td>
<td></td>
</tr>
<tr>
<td>Yellow Fats</td>
<td>-13,3%</td>
<td></td>
</tr>
<tr>
<td>Rice</td>
<td>-11,7%</td>
<td></td>
</tr>
<tr>
<td>Pasta</td>
<td>-8,1%</td>
<td></td>
</tr>
<tr>
<td>Fresh &amp; Industrial Bread</td>
<td>10,6%</td>
<td></td>
</tr>
<tr>
<td>Fish/Seafood</td>
<td>-10,7%</td>
<td></td>
</tr>
<tr>
<td>Eggs</td>
<td>-13,5%</td>
<td></td>
</tr>
<tr>
<td>Fruit</td>
<td>-14,1%</td>
<td></td>
</tr>
<tr>
<td>Vegetables</td>
<td>-15,5%</td>
<td></td>
</tr>
<tr>
<td>Meat</td>
<td>-15,9%</td>
<td></td>
</tr>
<tr>
<td>Dried Cod</td>
<td>-18,0%</td>
<td></td>
</tr>
</tbody>
</table>
INCONVENIENT

CONCLUSIONS
INCREASE PENETRATION IS THE ONLY WAY TO WIN
PROMOTION IS ALL ABOUT THE SHORT TERM WHERE THEY BEAT ADVERTISING

<table>
<thead>
<tr>
<th>Category</th>
<th>Drink</th>
<th>Food</th>
<th>Household</th>
<th>Personal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other %</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Digital %</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TV %</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Promotion %</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>BaseLine %</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>
2/3 OF PURCHASE PROPENSITY IS LOST AT POINT OF PURCHASE

LIKE THE BRAND AND BUY IT

DON'T LIKE THE BRAND AND BUY IT

LIKE THE BRAND AND DON'T BUY IT

+63% OF ADDITIONAL SALES
TOO MANY SMALL INNOVATIONS
DESPITE OPPORTUNITIES TO PREMIUMIZE

Only 1% of new SKUs achieve a penetration of at least 1% in their first year.

Number of launches with significant positive shopper behavior change:

- Price: 356
- Volume: 285
- Trips: 199
- Buyers: 3

88,262 new SKUs measured across 5 countries.
NOTHING OLDER THAN AN IGNORANT YOUNG PERSON

% SHARE OCCASIONS

% MARKETING SPEND

15–24  25–34  35–44  45–54  55–64

8  8  21  30  30

35  25  18  12  10
4 OUT OF 10 PORTUGUESE HAVE MORE THAN 50 y.o

Portuguese Population by Gender (in thousands)

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Man (in thousands)</th>
<th>Woman (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-4</td>
<td>265.616</td>
<td>285.616</td>
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<tr>
<td>5-9</td>
<td>347.305</td>
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<tr>
<td>10-14</td>
<td>426.680</td>
<td>426.680</td>
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<tr>
<td>15-19</td>
<td>510.244</td>
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<tr>
<td>20-24</td>
<td>606.795</td>
<td>606.795</td>
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<tr>
<td>25-29</td>
<td>653.393</td>
<td>653.393</td>
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<tr>
<td>30-34</td>
<td>701.484</td>
<td>701.484</td>
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<td>35-39</td>
<td>758.984</td>
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<tr>
<td>40-44</td>
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<td>45-49</td>
<td>731.253</td>
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<tr>
<td>50-54</td>
<td>614.838</td>
<td>614.838</td>
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<tr>
<td>55-59</td>
<td>558.165</td>
<td>558.165</td>
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<tr>
<td>60-64</td>
<td>538.556</td>
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<td>65-69</td>
<td>524.168</td>
<td>524.168</td>
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<tr>
<td>70-74</td>
<td>555.165</td>
<td>555.165</td>
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<tr>
<td>75-79</td>
<td>524.168</td>
<td>524.168</td>
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<tr>
<td>80-84</td>
<td>490.004</td>
<td>490.004</td>
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<tr>
<td>85+</td>
<td>428.244</td>
<td>428.244</td>
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</tbody>
</table>

Source: Pordata (INE Portugal) 22 January 2018
The Portuguese Clipfish consumer

Kantar’s point of view

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