

# Market Insights

What this means for everyone else



# Despite the economic growth, the GFC has left Australians' with a change in attitude to spending: *Shoppers want value*

1

Home is where the heart is



Reducing away from home activity



Focus on family time and friends



Dining out less and using take away versus restaurant



In home entertainment increasing with rise of TV and internet usage

2

Security is increasingly important



64% of consumers more financially cautious



Security of jobs & family more important



General living expenses & interest rates key concern

3

Value is King



Consumers in Australia are looking for value to "me"



Grocery spend increasing to reduce spend outside of home



Increasing amount of pre-planning when it comes to eating

**What does value mean ?**

# Going forward, consumers said they are more likely to buy products when on special and also increasing their “take out” drinks from home.



# Although shoppers of this channel are seeking convenience – they still are aware of sales and pricing

## Top Lifestyle Attributes



Coke Portal: Convenience outlet study 2010

# Grocery chains are bombarding consumers with price messaging on products across the store including key discounts in staples

FOOD AND HEALTH > FOOD AND DRINK

## Milk: Premium vs supermarket brand

In the wake of the milk price war, we look at how the milk brands stack up.

21 MAR 2011 | 30 CHOICE staffers took part in a blind taste test of 12 milks. The results are surprising.

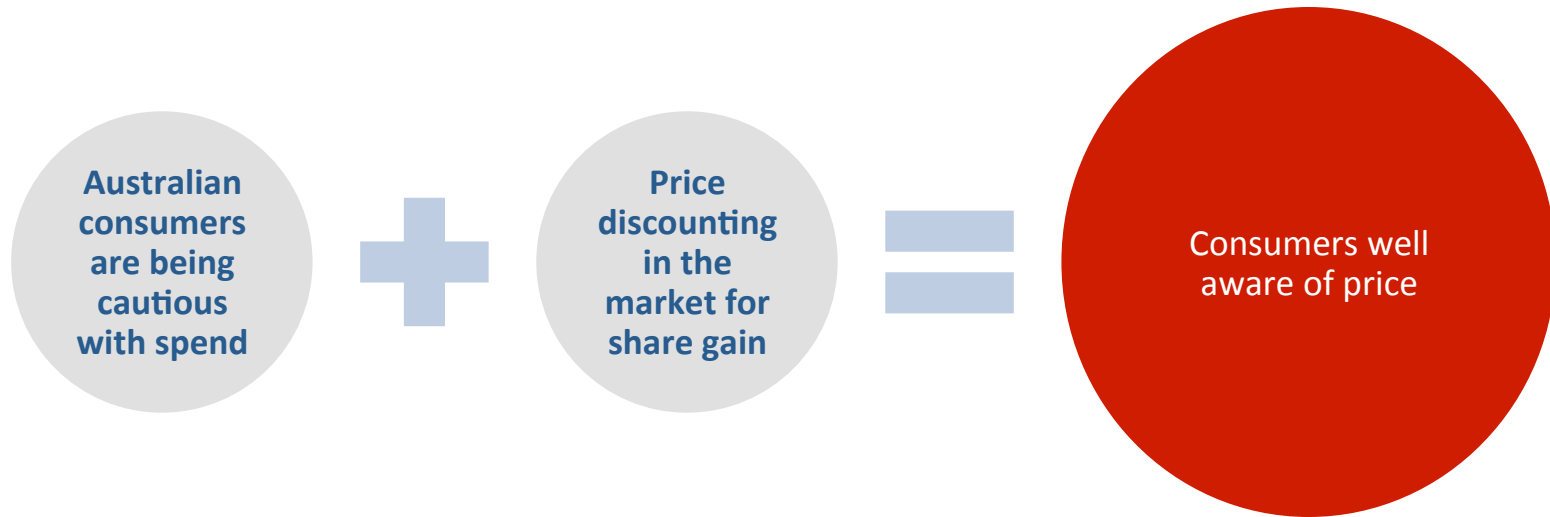


A red promotional banner with a white plate icon on the left containing the text 'feed your family'. To the right, it says 'ALL NEW Feed your Family recipes.' with a 'View recipes' button. At the bottom, there are three circular icons: 'Under \$10', 'FAST', and 'In Season'.

A green graphic with the text 'PRICE KNOCKDOWN and staying down!' in white. Below the text is a green boxing glove with red motion lines around it.

A promotional graphic for Wonder White bread. It shows two bags of 'Wonder White' bread (one purple, one yellow) and a loaf of bread with two slices cut out. A large red circle contains the text '2 FOR \$6' and a yellow circle says 'SAVE 75¢'. At the bottom, it reads '† Wonder White Bread Varieties 700g 54¢ per 100g'.

# What does this all mean for consumers mindset ?



## Shopper quotes from recent groups:

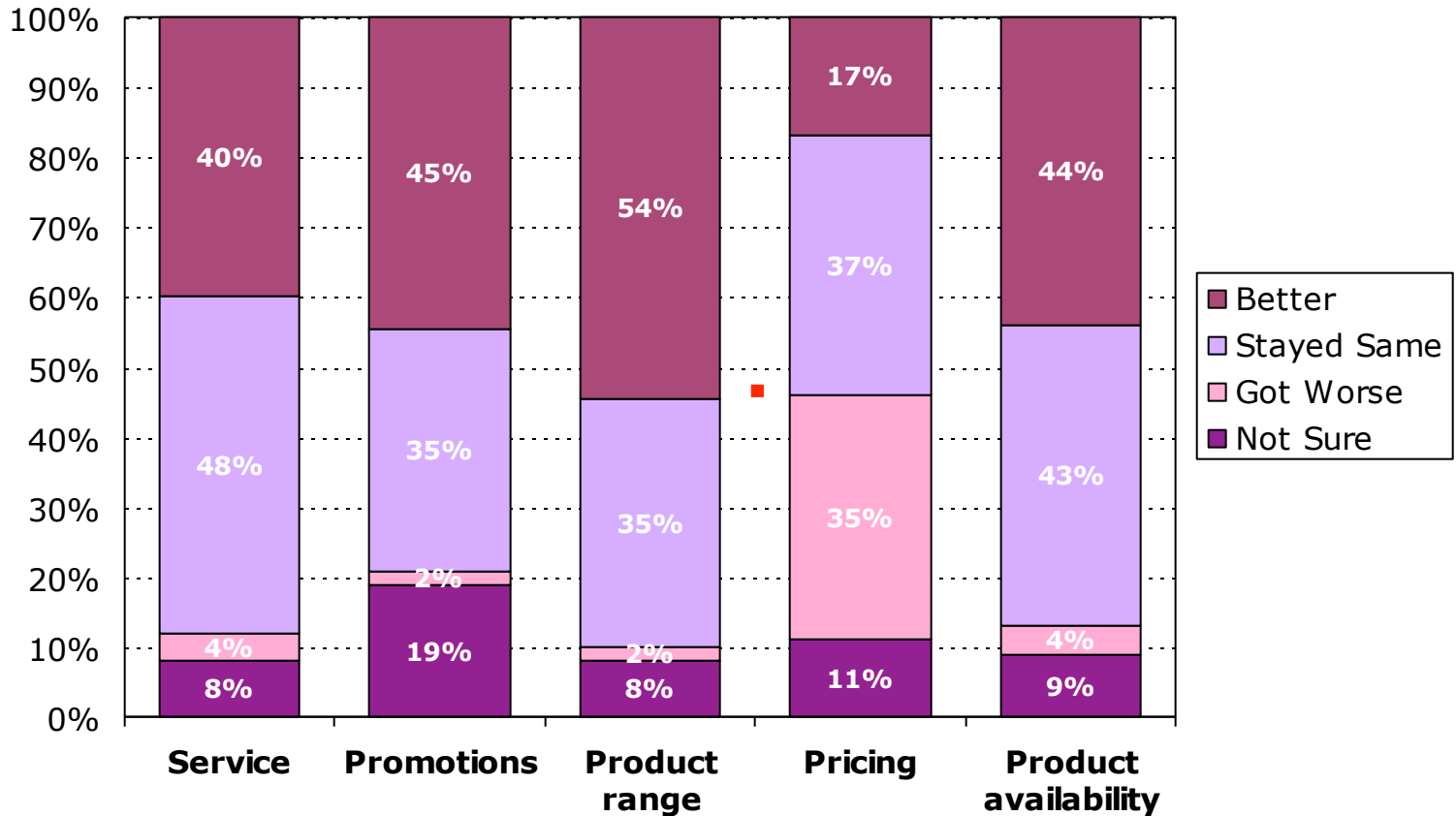
*".... I know that if it is not on special this week, it will be on special next week..."*

*"...there's always some energy drink promotion you see at the fridge ....."*



# Combined with all this - consumers rated Convenience Stores as having gotten worse for price over the last 2 years

Have C-stores got better/stayed the same/worse for ... over the past 2 years?



# Shoppers are focussed on their own personal value equation – it's now all about PRICE PLUS

Value = f {Perceived sacrifices, Perceived benefits}  
(e.g. cost, time, effort) (e.g. quality, performance)



essential  
Waitrose®

introducing everyday essentials  
with the quality you'd expect at  
prices you wouldn't





# Consumer mindset summary – what does this mean ?

- Australian consumers are saving and not spending.
- Whilst convenience shopping is about convenience and “now”, shoppers still check price
- Shoppers are reading catalogues for price
- Major retailers are pushing with price – shoppers are conditioned to look for price.
- Convenience stores rated worse for their pricing.
- **Consumers know pricing and expect “value” in the total market.**

# Grocery are now attempting to take missions and dayparts they did not traditionally cater to.....

**Treats**

*Missions.*

<p><b>2 FOR \$3.50</b> SAVE 1<sup>16</sup></p> <p>2 Lakota Blue Cookies 96-180g</p>	<p><b>1.99</b> SAVE 80<sup>c</sup></p> <p>The Natural Confectionery Co. 140-200g</p>	<p><b>2.99</b> SAVE 1<sup>00</sup></p> <p>Cadbury Dairy Milk 1165-223g - Includes Dairy Milk, Caramelie, Kacis &amp; Fudge Sauce</p>	<p><b>2 FOR \$4</b> SAVE 7<sup>00</sup></p> <p>1/2 Dozen Select Eggs 180-200g</p>
<p><b>2 FOR \$6</b> SAVE 1<sup>16</sup></p> <p>1/2 Doz On the Border Chips 7.18-185g or Canteen Nibbles 175g</p>	<p><b>4.99</b> SAVE 1<sup>00</sup></p> <p>Smith's Kidz Picks Chips 360-180g PK 20</p>	<p><b>2 FOR \$4</b> SAVE 1<sup>33</sup></p> <p>1/2 Doz On the Border Chips 175g or 1/2 Doz On the Border Chips 175g</p>	<p><b>3 FOR \$4.98</b> SAVE 2<sup>00</sup></p> <p>1/2 Doz On the Border Chips 180-200g - Skipper's Seasoned Pot</p>

**Breakfast**

*Day part*

<p><b>BUY ME TO WIN WIN</b></p> <p><b>\$8</b> SAVE 4<sup>00</sup></p> <p>Primo Short Cut Bacon 750g 2x4 pkgs</p>	<p><b>BUY ME TO WIN WIN</b></p> <p><b>2 FOR \$7.50</b> SAVE 2<sup>00</sup></p> <p>1/2 Gal Orange Juice 1.5L or 1.5L or 1.5L</p>	<p><b>BUY ME TO WIN WIN</b></p> <p><b>4 FOR \$5</b> SAVE 2<sup>00</sup></p> <p>Huggs Tots &amp; Fudge Sogits 170g 16 per box</p>
<p><b>BUY ME TO WIN WIN</b></p> <p><b>2 FOR \$4</b> SAVE 7<sup>50</sup></p> <p>Smooth Banana Meal 500g 10.5oz per box</p>	<p><b>BUY ME TO WIN WIN</b></p> <p><b>5 FOR \$10</b> SAVE 4<sup>00</sup></p> <p>Attack a Snack 200g 1.6oz per box</p>	<p><b>BUY ME TO WIN WIN</b></p> <p><b>5 FOR \$5</b> SAVE 4<sup>00</sup></p> <p>Mans Leghams 10.5oz per box</p>
<p><b>BUY ME TO WIN WIN</b></p> <p><b>2 FOR \$5</b> SAVE 1<sup>00</sup></p> <p>Mans Spinach Feta 110g 3.9oz per box</p>	<p><b>BUY ME TO WIN WIN</b></p> <p><b>2 FOR \$9</b> SAVE 7<sup>00</sup></p> <p>Castello 110g 3.9oz per box</p>	<p><b>BUY ME TO WIN WIN</b></p> <p><b>2 FOR \$5</b> SAVE 2<sup>00</sup></p> <p>Mans 110g 3.9oz per box</p>
<p><b>BUY ME TO WIN WIN</b></p> <p><b>1.79</b> SAVE 50<sup>c</sup></p> <p>Mans Defence Mix 175g 6.2oz per box</p>	<p><b>BUY ME TO WIN WIN</b></p> <p><b>2 FOR \$4</b> SAVE 3<sup>00</sup></p> <p>Mans BBQ Sizzlers 175g 6.2oz per box</p>	<p><b>BUY ME TO WIN WIN</b></p> <p><b>4 FOR \$20</b> SAVE 6<sup>00</sup></p> <p>Mans 175g 6.2oz per box</p>