

Global Consumer Trends 2007

From GfK Roper Consulting



Who we are and what we do

- ✓ What we do
- ✓ Coverage
- ✓ Roper Reports Worldwide Deliverables
- ✓ TrendKey

GfK

roper
GfK Roper Consulting

GfK Group: Expertise Across Five Complementary Areas

3

Consumer Tracking

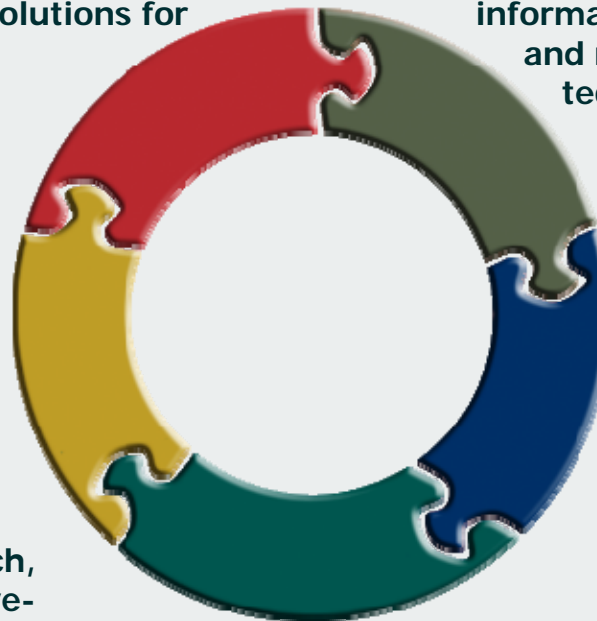
Consumer and retail panel-based Business Information Solutions for manufacturers and retailers for consumer packaged goods and service companies

Retail and Technology

Retail panel-based marketing information for manufacturers and retailers in consumer technology industries

Healthcare

Information services supporting globally successful new product development and healthcare marketing research, brand research, communication effectiveness, loyalty as well as measuring market shares on products in the veterinary and dental industry



Custom Research

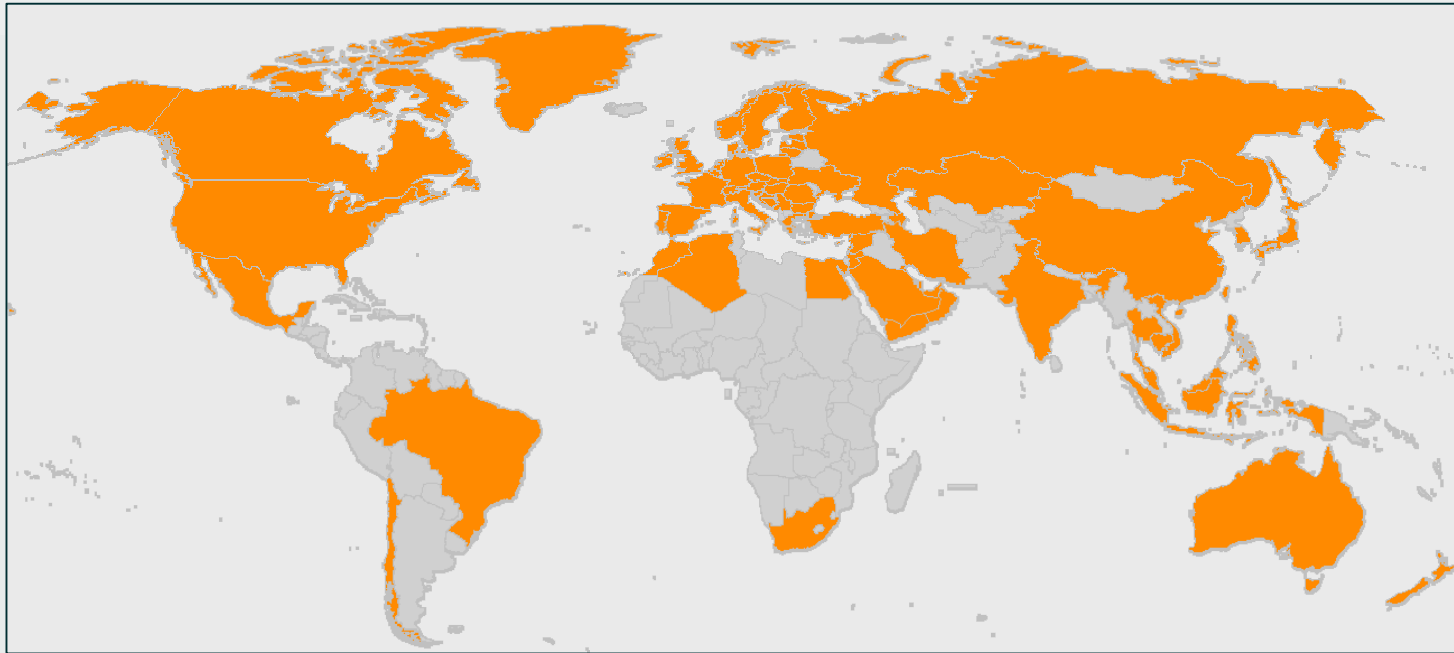
Interview and test market-based support information for new product development and brand management across a wide range of industries

Media

Interview and panel-based audience and readership measurement and consumer response testing for TV, print, radio and Internet

GfK Group: Worldwide Presence

4



Algeria
Argentina
Australia
Austria
Azerbaijan
Bahrain
Belgium
Bolivia
Bosnia and Herzegovina
Brazil
Bulgaria
Cambodia
Canada
Chile

China
Colombia
Croatia
Czech Republic
Denmark
Ecuador
Egypt
Estonia
Finland
France
Germany
Greece
Hong Kong
Hungary

India
Indonesia
Iran
Ireland
Israel
Italy
Japan
Jordan
Kazakhstan
Kenya
Korea
Kuwait
Latvia
Lebanon

Lithuania
Malaysia
Mexico
Morocco
Netherlands
New Zealand
Nigeria
Norway
Oman
Pakistan
Paraguay
Peru
Philippines
Poland

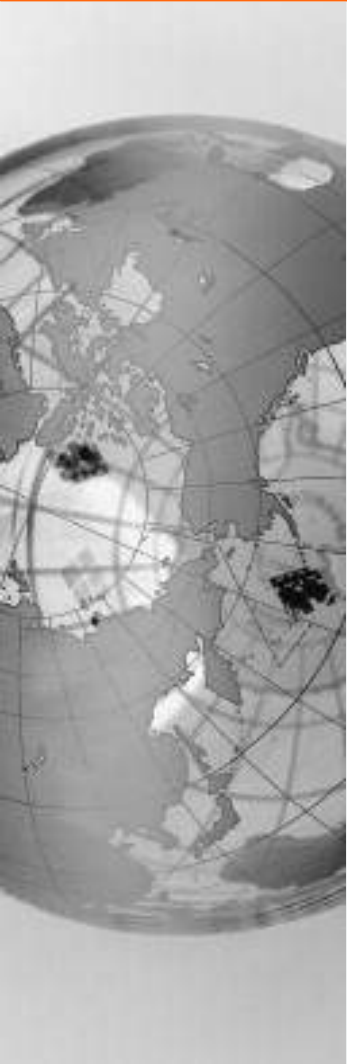
Portugal
Qatar
Romania
Russia
Saudi-Arabia
Serbia and Montenegro
Singapore
Slovakia
Slovenia
South Africa
Spain
Sweden
Switzerland
Syria

Taiwan
Tanzania
Thailand
Turkey
Uganda
Ukraine
United Arab Emirates
United Kingdom
Uruguay
USA
Venezuela
Vietnam
Yemen

GfK**roper**
GfK Roper Consulting

Coverage at a glance - Talking to 30,000+ Consumers Every Year

5




- 
- Ages 13+
 - An annual global study of 1,000 to 1,500 in-home, face-to-face, 1-hour interviews per country
 - 25+ countries
 - 9 waves since 1997 with over 300,000 respondents in database
 - *Coming soon – an additional online wave covering 20 countries and comprising 20,000 interviews*

Sample Coverage

6

Listening to 30,000+ consumers worldwide since 1997
1,000+, 1-hour+ interviews per country with people aged 13+

Representative of 1.1 billion consumers worldwide

-  National sample (North America 24%; West Europe 24%)
-  National urban (Developed Asia 7%; Other 11%)
-  National urban w/o lowest SES (Developing Asia 26%; Latin America 6%; Egypt 1%)

RRW Geographic Coverage 1999 – 2007

Developed Asia

	99	00	01	02	03	04	05	06	07
Australia	x	x	x	x	x	x	x	x	x
Hong Kong	x		x	x	x	x	x		
Japan	x	x	x	x	x	x	x	x	x
South Korea	x	x	x	x	x	x	x	x	x
Singapore		x		x		x			
Taiwan	x	x	x	x	x	x	x	x	x

Developing Asia

	99	00	01	02	03	04	05	06	07
China	x	x	x	x	x	x	x	x	x
India	x	x	x	x	x	x	x	x	x
Indonesia	x	x	x		x	x	x	x	x
Malaysia	x		x	x					
Philippines	x	x	x	x	x	x	x		
Thailand	x	x	x	x	x	x	x	x	x
Vietnam		x	x						

Middle East/Africa

	99	00	01	02	03	04	05	06	07
Egypt		x	x	x	x	x	x	x	x
Saudi Arabia	x	x	x	x	x	x	x		
South Africa	x	x	x	x	x	x	x	x	x
Turkey	x	x	x	x	x	x	x	x	x

Central/Eastern Europe

	99	00	01	02	03	04	05	06	07
Czech Republic	x	x	x	x	x	x	x	x	x
*Hungary	x	x	x	x	x	x	x		x
Poland	x	x	x	x	x	x	x	x	x
Russia	x	x	x	x	x	x	x	x	x
*Croatia									x
*Ukraine									x

Latin America

	99	00	01	02	03	04	05	06	07
Argentina	x	x	x	x	x	x	x	x	x
Brazil	x	x	x	x	x	x	x	x	x
Chile							x		
Colombia		x					x		
Mexico	x	x	x	x	x	x	x	x	x
Venezuela	x	x	x	x	x	x	x		
Puerto Rico							x		
Peru							x		

North America

	99	00	01	02	03	04	05	06	07
Canada	x	x	x	x	x	x	x	x	x
USA	x	x	x	x	x	x	x	x	x

Western Europe

	99	00	01	02	03	04	05	06	07
*Belgium									x
France	x	x	x	x	x	x	x	x	x
Germany	x	x	x	x	x	x	x	x	x
Italy	x	x	x	x	x	x	x	x	x
*Netherlands	x								x
Spain	x	x	x	x	x	x	x	x	x
Sweden				x	x	x	x	x	x
UK	x	x	x	x	x	x	x	x	x
*Portugal									x

* Available as extra sets

Roper Reports Worldwide 2007

Content Coverage

In-person wave

- Mood Of The Nation
- Leisure And Lifestyle
- Personal Values
- Power Brands
- Social Networks
- Category Influentials
- Shopping Behaviour And Decisions
- Cultural Affinity
- Media And Advertising
- Beverages/Alcohol (20+ yrs only)
- Youth Issues (13-19 yr olds only)
- Beauty
- Technology
- Automotive
- Demographics

Online wave

- Personal Values
- Online Brands
- Category Influentials
- Online Shopping Behaviour (Music, Video, Books)
- Technology Attitudes & Behaviour
- Digital imaging
- Ethical Consumption
- Online financial services
- Privacy & Security
- Demographics



TrendKey A Global Trends Framework



West to East



Urbanisation & Migration



The Impacts of an Ageing Population



The Changing Household



Peak of Busyness



Home is Where You Are

Welcome to GfK Roper Consulting's

TrendKey



Unlock the secrets of your consumers by looking at the key global consumer trends

GfK roper
© Copyright GfK ROP 2006. Program in use Confidential



Word Of Mouth



Consumers in Control



Moving to Fun



Security for All



Looking for Success



Desire for Authenticity



Convergence is Multi-Modal



Mixing Influences



Pursuit of Wellbeing



Life on the Go



Pragmatic Materialism

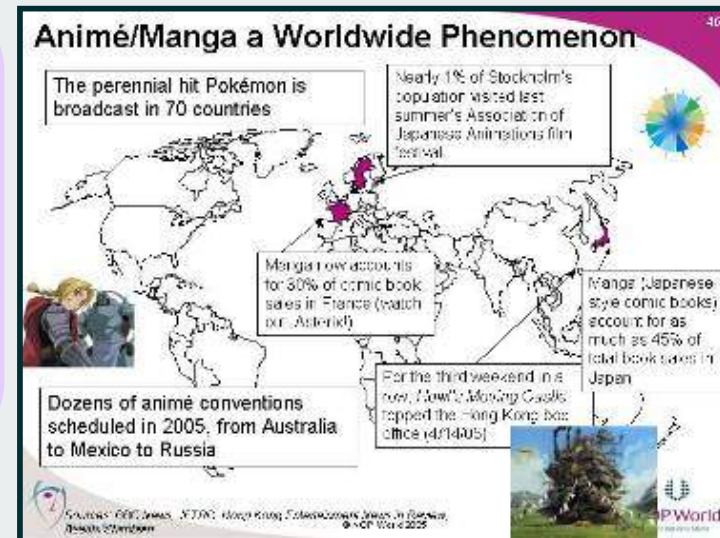


New 4 Old Media

Geographic-trends: From West to East & East to West



- In the “third age” of the globalisation process, products from developing economies are reaching out to the rest of the world:
 - Products made are of high quality
 - Consumers in those markets are demanding higher quality and more recognition of their specific needs and tastes
 - Those in West are open to products irrespective of where they are from
- Look for more and more products from “developing” markets competing with Western brands in their own markets



11



Geographic-trends: Urbanisation & Migration



12

- For the first time in history **50%** of the world's population is urban
- The "Developing World" now accounts for over **50%** of global GDP (in PPP terms)



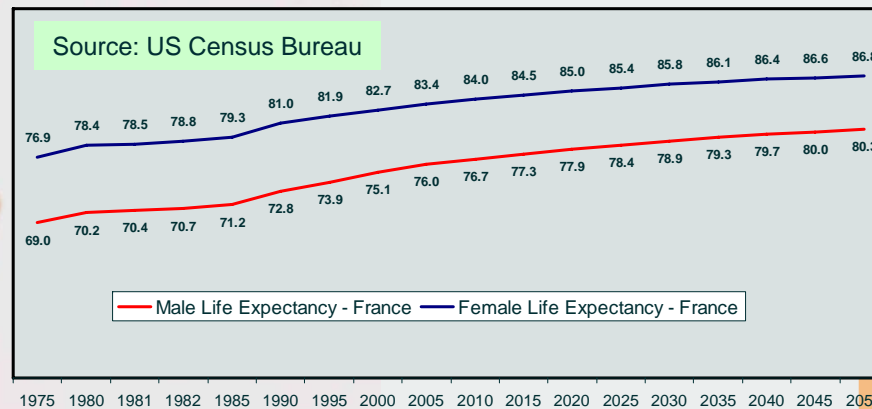
Dhaka is projected to be the world's second biggest city (after Tokyo) with a population of 22.8 million by 2015

Lifestage Trends:

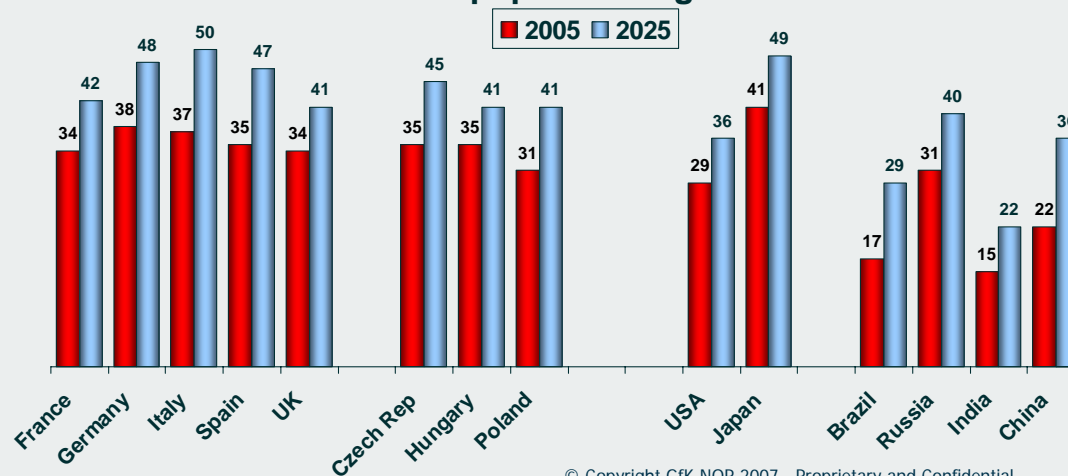
Ageing Population



13



% of population aged 50+



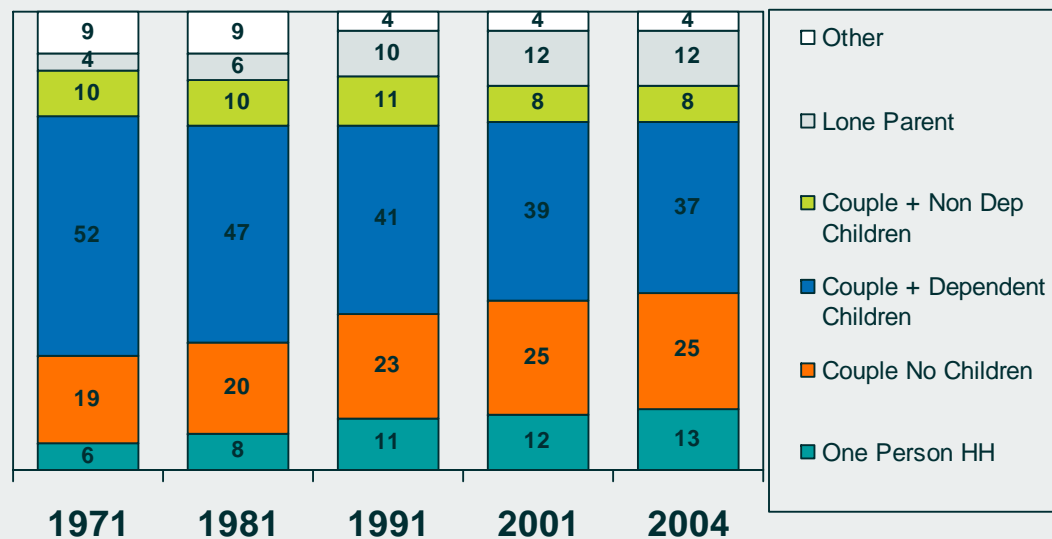
- It is a well accepted fact that we are living longer, having fewer children and that, therefore, societies are ageing
- But what is old?
- What implications does this have on people's lives?
- What does it mean for people who are older now?
- What does it mean for how young people will age?

Lifestage Trends: Changing Household

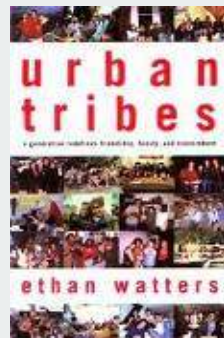
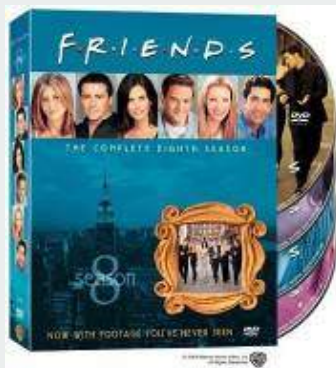


14

Household Structure in the UK
SOURCE: Office for National Statistics – Social Trends 2005



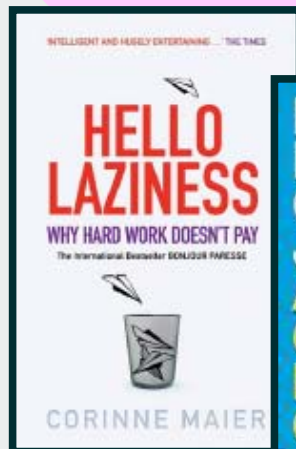
- “Traditional arrangement” of a couple + dependent children has become a minority situation over the past 30 yrs
- Single person households, lone parents and couples with no children have all become more prevalent.
- Marketing and product development on the basis of “stereotypes” is becoming less and less relevant in today’s society.



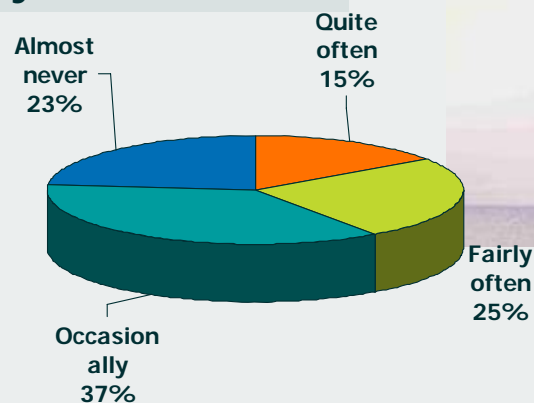
Lifestage Trends: Peak of Busy-ness



- Consumers nowadays have busy, complicated lives
- For many, the reality is a case of juggling home, work, social life and other commitments – work and life are not always in balance
- We see the beginnings of a push back (in the West at least) against the long hours culture of recent years. In Developing nations the desire to improve one's situation is, for now, keeping work hours long
- For parents, particularly working women, this juggling act is particularly extreme and is a major cause of stress.



How often do you personally feel stressed?

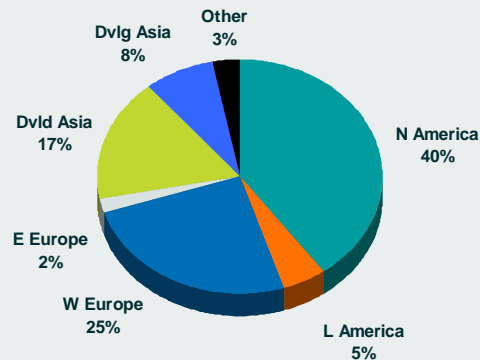


Lifestyle Trends: Life on the Go



Homo mobilis:

32 Million Strong Globally;
65% Live in West Europe and US



65%

Spend some time each
week commuting



The average global
commuter spends

7

hours per week between
home and work

Physical Mobility:

- Classical travel-based mobility encompassing business travel, leisure travel, commuting
- Routine mobility such as commuting is often associated with multi-tasking and distance-working solutions (iPod, Blackberry, laptop, etc)
- Can also include migration, working in another country



Lifestyle Trends:

Pursuit of wellbeing



Globally, “**health and Fitness**” ranks the **#3** most important value (of 60 values)



17

Good health ranks **#1** (of 15 items) as a part of the “good life” in 29 of 30 countries

Behavior of Healthy Activities Decreases

% do often for personal health and well-being



Most Health Behaviors Increase in Importance....



Source –
RRW05

Trend: 13-65 year-olds

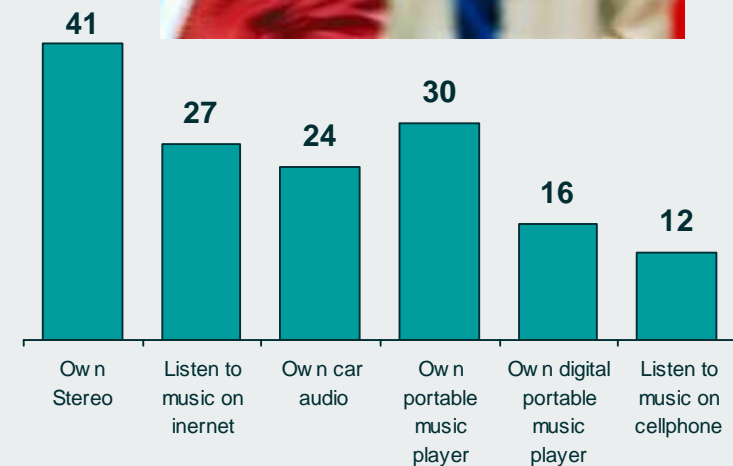


Lifestyle Trends:

Home is Where you Are



18



- Examples:
 - Listening to music
 - Watching TV
 - Playing games
 - Working (email, Windows Mobile, etc)

Lifestyle Trends: Convergence is Multi-Modal



Convergence Means “One-On-Many, Not All- In-One

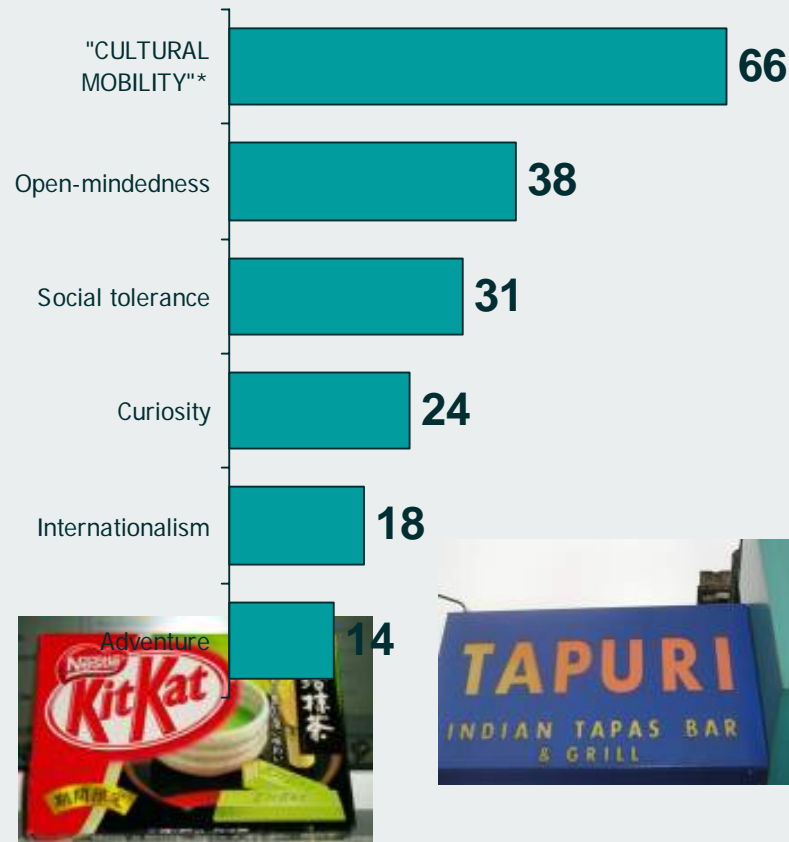
- For example: consumers watch movies in the theater, at home on DVDs, on their PCs/laptop, on their portable DVD players, on other portable devices (PSP, etc.)
- Music also continues to be offered on more diverse platforms and combined with other forms of entertainment
- Multiple platforms and various options allow consumers to define and interact with *their* world in the way that is most relevant to them
- Battery life, increased memory capabilities, and improved quality could disrupt this trend and push more consumers toward more convergent devices; however, this shift will probably be needs driven



Lifestyle Trends: Mixing Influences



% rating these values as extremely or very important



➤ INTERNATIONALISM (globally #58 value) but more important in:

- Australia – 35th of 60
- Russia – 36th
- Egypt – 40th
- Japan – 40th
- Sweden – 46th



- Consumers around the world are becoming more open to new taste experiences [though plenty of them still like to be cautious sometimes too]
- This change is fuelled by greater holiday travel, cooking programmes on TV, new restaurants, etc
- Companies seem increasingly adept at blending the new/experimental with the known/trusted – so we get the KitKat that we know and love, but in new "global" flavours.....

20

Lifestyle or Behavioural Trends: Pragmatic Materialism ("Want it All" Consumers)



21



- Consumers around the world are becoming more and more demanding.
- Increasingly, they want products, brands and retailers to offer features and benefits that used to be mutually exclusive:
 - Health benefits **AND** good taste
 - Luxury **AND** a good price
 - Convenience **AND** high quality
 - Connectivity **AND** privacy

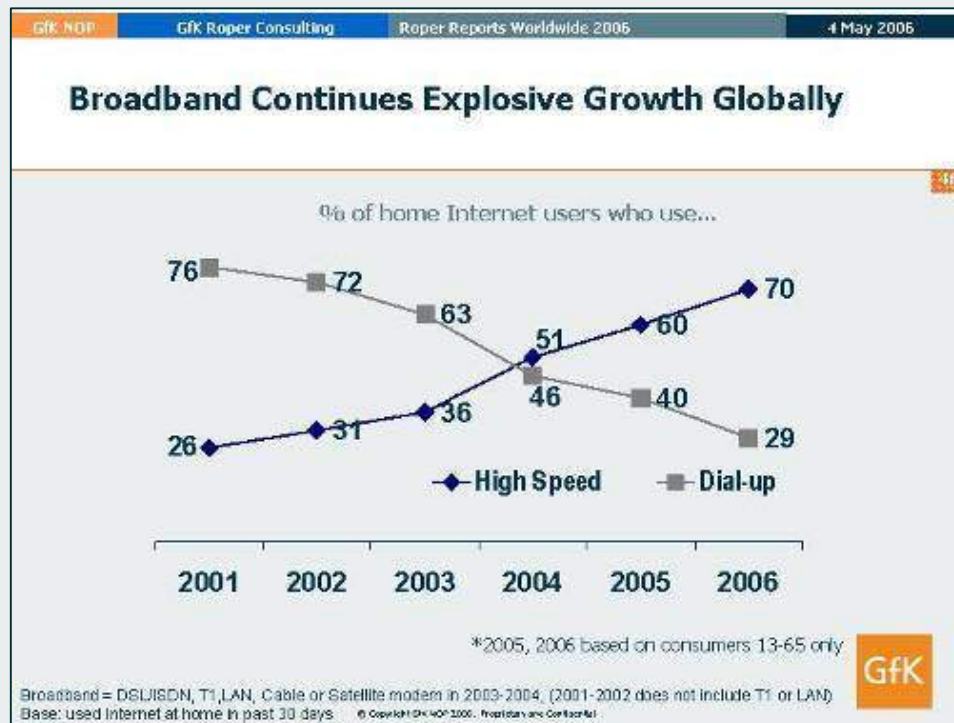
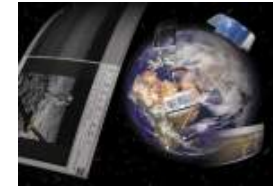
- **56%** of consumers agree that they "like to buy things to treat or indulge myself"
- **54%** of global consumers agree "I often use food or drink to treat myself after a particularly long day"
- The change is that consumers are nowadays prepared to prioritise certain aspects of their life – here they will "indulge"; elsewhere they may be very budget conscious

ZARA

PRADA



Lifestyle Trends: New for Old Media (Trading Up)

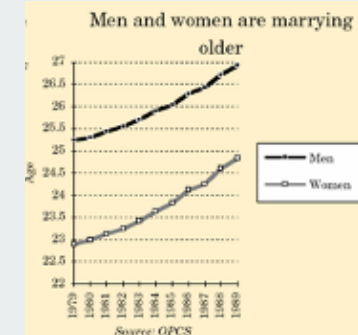


- Broadband has surpassed dial-up- and is leapfrogging over traditional dial-up in emerging markets (like China and India)
- Broadband users are spending more time online and less with traditional media than non-Internet users and even narrowband users are
- Blogging is increasing in most markets around the world and threatening traditional journalism – blogs appeal to the growing word-of-mouth movement and the increasing skepticism with news media
- Advertisers (finally) are aggressively and creatively expanding into new and alternative media sources; *“spending on online video advertising will triple in the next two years...”*



Bunko Yomihodai (“All You Can Read Paperbacks”) began in 2003. It now has 50,000 subscribers.

Values-based trends: Moving to Fun



Coddling Crisis: Americans think adulthood starts at 26

- Consumer escapism is on the rise in response to the growing high pace of life – consumers are looking to “tune out” and relax

Values-based trends: Security for All

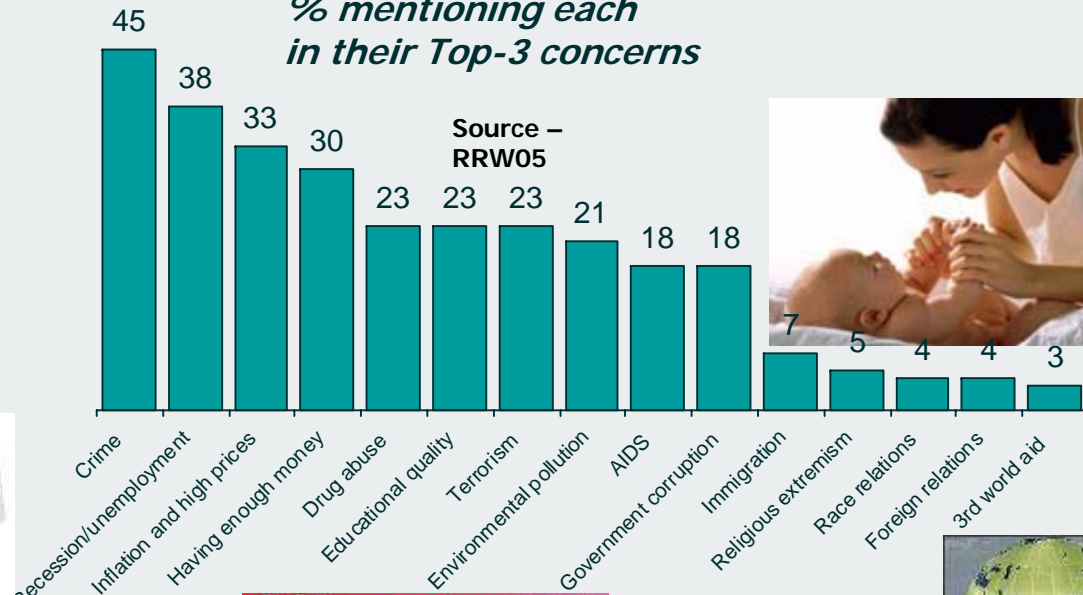


- Global media and 24 hour a day news coverage have focused peoples' minds on the serious issues of the day to an unprecedented level
- "Threats" can be:
 - Health-related (SARS, H5N1)
 - Safety (Al-qaeda, Bin Laden, etc)
 - Economic (outsourcing)
 - Environmental (climate change)
 - Personal (identity theft)



Protecting the family (*Having safety for loved ones*) is ranked in the top 5 values (of 60 personal values) in nearly every country (Egypt being the exception)

% mentioning each in their Top-3 concerns



Values-based trends: Consumers in Control (Empowerment)



25



- Empowered consumers have the self-confidence to "demand" products that meet their exact specifications.
- Customisation is everywhere – how can consumers customise your products?

Dutch consumers can send in their photos and have them turned into stamps!



19,000 combinations!



OpenSource applications like Mozilla Firefox take the best innovations that users can suggest and add them to the product

- Tuangou, or team purchase, begins in Internet chat rooms, where likeminded consumers hatch plans to buy appliances, furnishings, food, even cars, in bulk
- Next, they show up en masse at stores...to demand group discounts



Fruits of tuangou



GfK

roper
GfK Roper Consulting

Values-based trends: Looking for Success (Status Seekers)



26

- In rapidly developing countries such as China & India, there has been a massive movement towards striving & achieving.



1999
From a “people”
focus...

2005

...to the “power”
corner

- **China, India of growing importance to world economy**
 - *A major impact (7 points) on global confidence*
- **Distinctive values**
 - *Strong Striver countries - half or more are Strivers*
- **Strong self-improvement ethic**
 - *Strengthening intellect valued in leisure pursuits*
 - Online information-savvy
 - Strong emphasis on education quality
- **Prestige brands are sought after**
 - Stronger preference in India while Chinese consumers by and large are more discerning



Values-based trends: Desire for Authenticity (Keeping it Real)



27

Rise of Individuality

- Individuality valued by 28% of consumers globally, up 5 points from 1999; large changes in many markets including Taiwan, China, Saudi Arabia, Brazil*
- 44% of consumers say they like to look their best "to express my individuality" (+4 from 2000)*
- Men putting more emphasis on appearance, changing market for HBA and food and diet products



The Brand-Personal Values Gap

- Trust is basic expectation of brands
No. 1 attribute of "best brands": "A brand I trust"
 - 63% of global consumers say "honesty" is an important personal value; only 28% associate "honesty" with brands they know and really like*
 - 45% of global consumers say "authenticity" is an important personal value; only 23% associate "authenticity" with brands they know and really like*



Holding on to tradition

- 67% say "Concerning the foods I eat, I stick pretty much to what I'm familiar with"***
- 62% say "I have a strong preference for regional or traditional products or dishes from where I come from"***





Pursuit of Wellbeing

Pursuit of Wellbeing

What is it?

29

Consumers, more than ever before, know what they are supposed to do to live a healthy lifestyle.

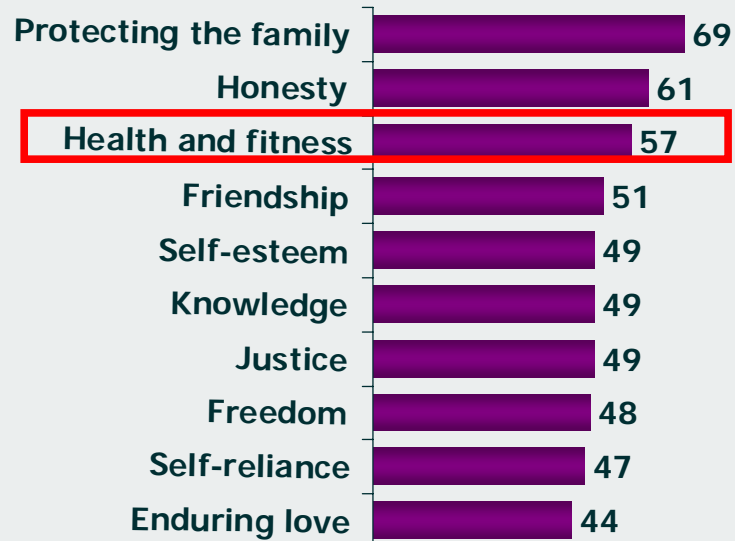
But, even with the best of intentions, many find it difficult to live a healthy lifestyle.

Opportunities exist for marketers who can help consumers to close the gap.

*Well-Being***“Health and Fitness” an Increasingly Important Value**

Globally, “health and Fitness” ranks the the third most important value

% who say the value extremely important/very important



In Many Countries, the importance of “health and fitness” registered significant growth

Ranking of “health and fitness” as an important value

2004	1999	Difference	
Germany	2	9	+7
Hungary	5	12	+7
Argentina	6	13	+7
Australia	9	16	+7
Venezuela	1	7	+6
China	1	7	+6
Philippines	3	9	+6
Spain	1	6	+5
Hong Kong	2	7	+5
U.S.	6	11	+5
Turkey	15	20	+5
Poland	2	6	+4
Canada	11	15	+4

“Health and fitness” has been consistently in the top 5 values in: Taiwan, Indonesia, France, Korea, Thailand, Russia, Saudi Arabia, Mexico, and Czech Republic

Trend(s): Pursuit of wellbeing

Brand: Dove

Sector: Cosmetics

Where: Brazil

When: December 2006

Pursuit of Wellbeing is a category constantly reinventing itself, but needs careful interpretation for local cultural conventions and attitudes to appearance

31



**Summer Without Shame
(Dove Brazil)**



**No one looks 100% perfect
(Natural Beauty – Shanghai)**