AN UNCOMMON SENSE OF THE CONSUMER™

THRILL OF THE CHASE

THE NIELSEN GLOBAL RETAIL GROWTH STRATEGIES SURVEY

Part of the fun of shopping is the thrill of the chase and 59% of global respondents say they enjoy taking the time to find bargains. This is a particularly strong motivator in North America (68%) and Latin America (64%). In Taiwan, close to two-third (64%) of respondents say they enjoy shopping for groceries and taking time to find bargains both. Consumers are addicted to a good deal, which might be that retailers and manufacturers have conditioned shoppers to buy on deal.

While intense promotional activities among retailers and manufacturers have created an expectation among consumers that low prices should be the norm, others are recalibrating their spending—and increasingly, the value is about more than the lowest price. Consumers are often willing to pay more if they consider the benefits outweigh the price. To keep shoppers coming back, brands must exceed shoppers' expectations and convincingly demonstrate that the higher price is truly justified.

While many consumers remain price conscious, driving growth in value channels, some consumers are trading for what they perceive to be additional values and qualities.

WHAT DO CONSUMERS THINK ABOUT GROCERY SHOPPING?

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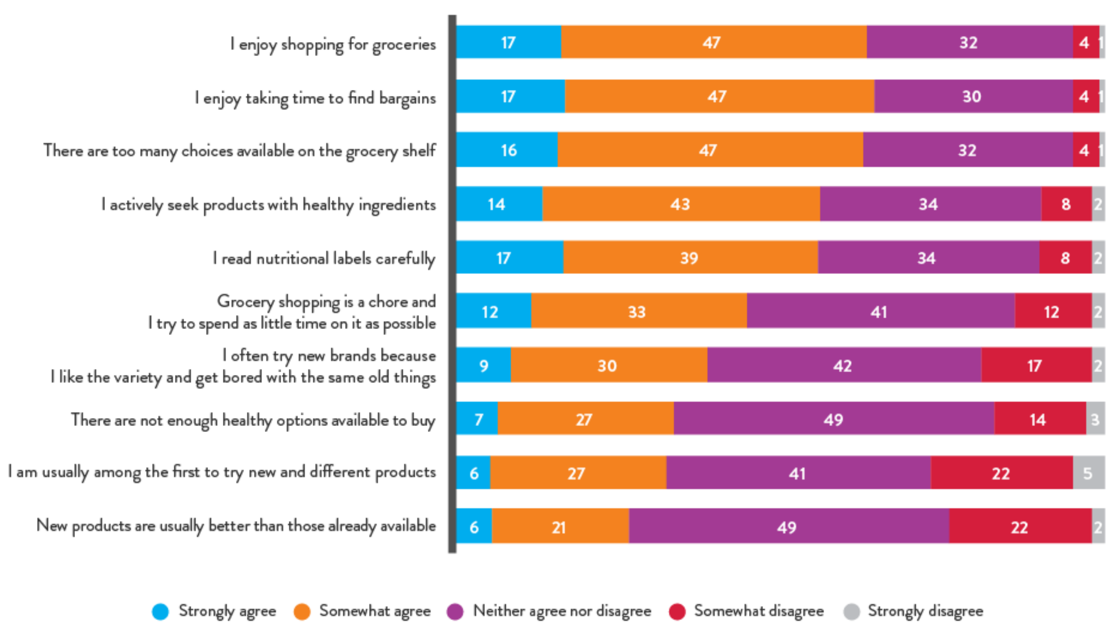

Base: All respondents n=501

Source: Consumer Confidence Survey – Q3 – 2015

The Nielsen Global Retail Growth Strategies Survey polls more than 30,000 online respondents in 61 countries to understand the pain and the pleasure points about the shopping experience. The survey also examines how well retailers are currently meeting consumers' needs and why consumers choose one store over another. Meanwhile, a selection of 19 product categories is reviewed for determining the product attributes that are the most important. After that, observations on consumers' willingness to use additional in-store services and their preferred approach to dealing with price increasing are conducted to identify areas for development or improvement.

IF RAW MATERIAL COSTS ROSE SUBSTANTIALLY FOR A MANUFACTURER OF FOOD OR PERSONAL CARE PRODUCTS, YOU WOULD...

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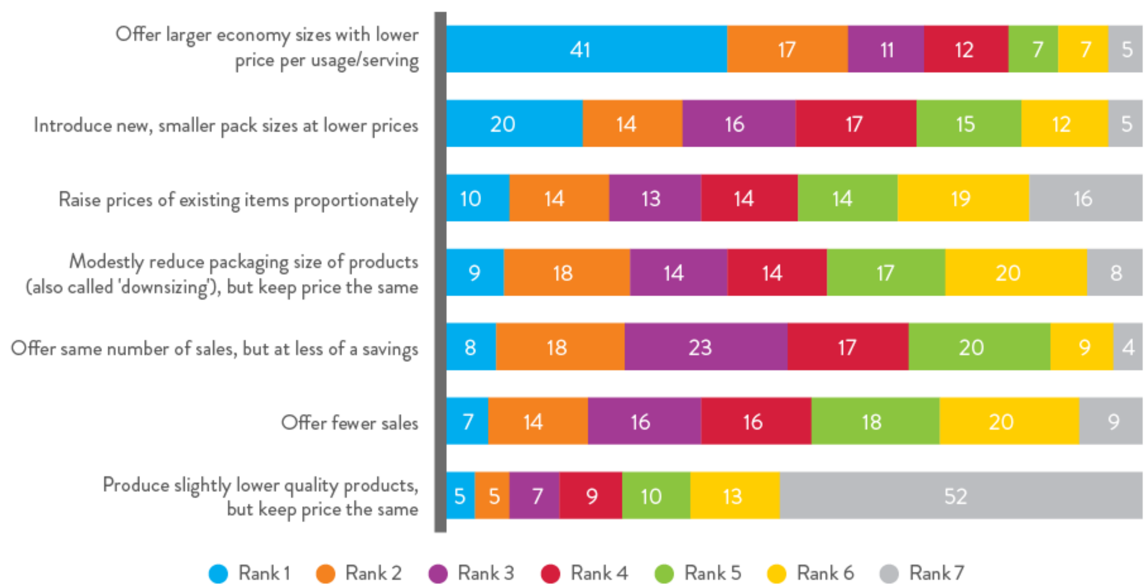
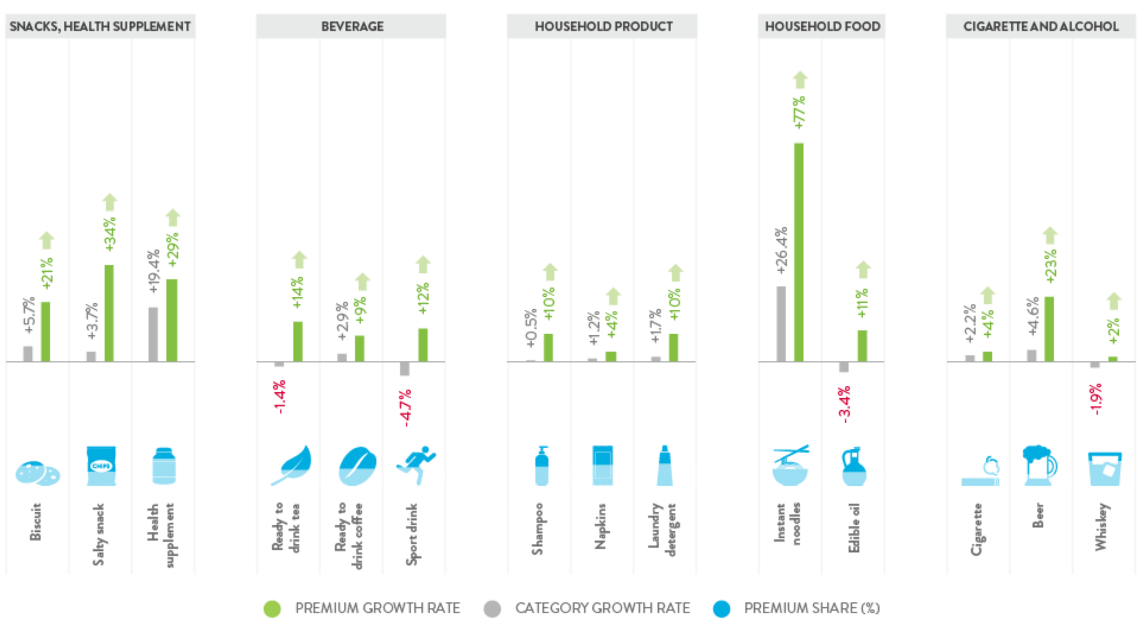


Base: All respondents n=501
Source: Consumer Confidence Survey – Q3 – 2015

WINNING AT OPPOSITE ENDS OF THE PRICE SPECTRUM

In many places, retailers that are winning are positioned at opposite ends of the price spectrum. While many consumers remain price conscious, driving growth in value channels, some consumers are trading for what they perceive to be additional values and qualities; such a phenomenon is also seen in Taiwan. When asking if raw material costs rose substantially for a manufacturer of food or personal care products, “offering larger economy sizes with lower prices per usage/serving” is the most preferred option with two-fifth (41%) Taiwanese consumers tending to gain from manufacturers; said option is followed by “introducing new, smaller pack sizes at lower prices” (20%). However, “producing slightly lower quality products, but keep prices the same” is the last thing Taiwanese consumers (52%) would like to have.

WHEN CUTTING DOWN SPENDING, PREMIUM PRODUCT SEGMENT STILL GROWS



Source: Nielsen Retail Measurement Services, 2014 July-3016 June
Premium product definition: Price over 20% above the average price

Consumers redefining values and the premium segment might be a bright spot in some regions. In Taiwan, according to Nielsen Retail Measurement, 10 out of 14 categories show that dollar sales in the premium segment (with the price index of 20% above the category average price) have enjoyed double digit growth, while the total category sales are merely flat, or even with negative growth between July 2014 to June 2016. The most significant growth from the premium segment sales of a specific category has even surpassed 50.6% of the mainstream tiers.

FILL POCKETS OF UNSATISFIED DEMANDS

Despite the thrill of a good deal, nearly half (45%) of Taiwanese respondents say grocery shopping is something they try to spend as little time as possible doing. In this case, what would be the shopping experience that is particularly unpleasant? Many consumers suggest that retailers cannot understand and deliver their needs. Fewer than two-fifth (37%) of Taiwanese respondents believe their main grocery retailers always or mostly communicate with them in a relevant way; just over half of them believe that retailers always or mostly carry all items they want and need (55%), provide offers they like and value (47%), or understand their product preferences and grocery shopping requirements (42%).

CONSUMRS' PRIMARY REASONS FOR GROCERY SHOPPING TRIPS

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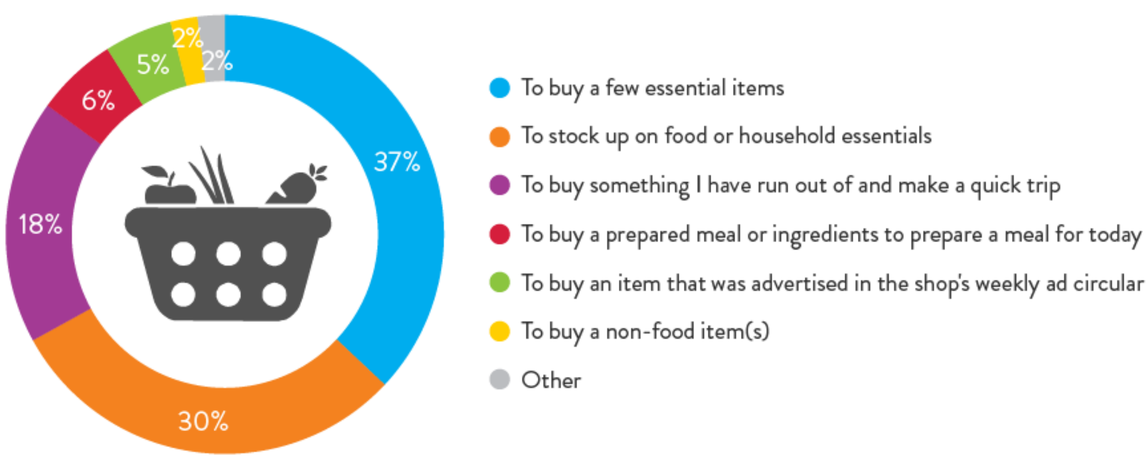

Base: All respondents n=501
Source: Consumer Confidence Survey – Q3 – 2015

The way to stay relevant and connected to ever-changing consumer demands is to find pockets of unsatisfied demands before providing the products and services that would keep consumers satisfied and coming back time after time. Which services are most popular with consumers? Globally, the in-store services most widely available and used are convenient options that apply to on-the-go lifestyles. Roughly, 4 in 10 Taiwanese respondents state that they use in-store prepared food (40%) and fast-food services (39%); over one-third of them have used banking services (35%), and 3 in 10 have adopted coffee services. Other services that are less widely available or used—such as cooking classes and postal services (both 27%), as well as petroleum filling stations (23%)—have strong potential. About one in five respondents say that they would use these services if they were available.

THINKING ABOUT SHOPPING FOR FOOD/HOUSEHOLD/PERSONAL CARE PRODUCTS, WHICH IN-STORE SERVICES DO YOU USE/WOULD LIKE TO USE IF IT WERE AVAILABLE?

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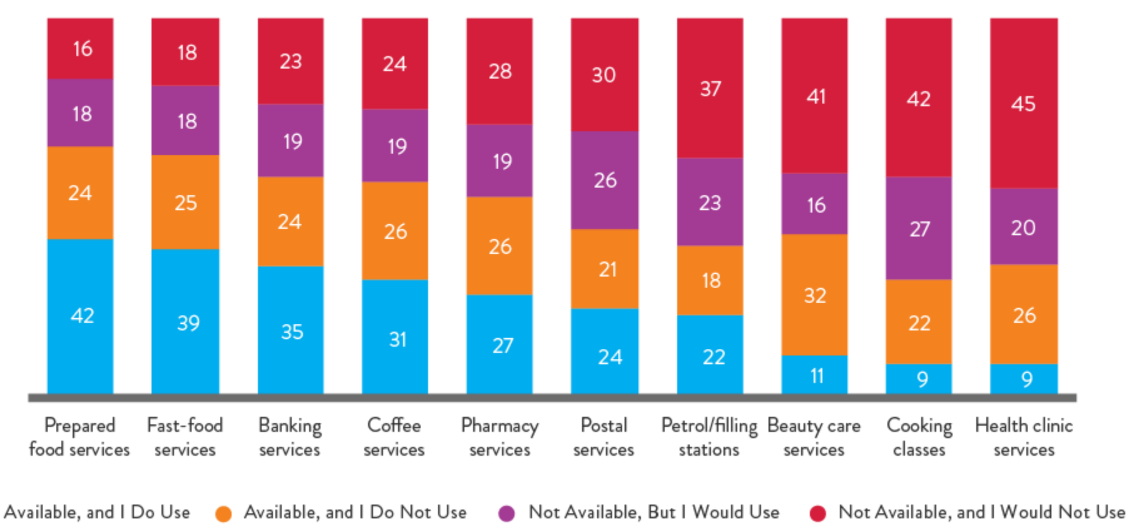

Base: All respondents n=501
Source: Consumer Confidence Survey – Q3 – 2015

Offering multiple functions under one roof is smart, as the addition of new in-store services may help draw consumers in, prolonging their time spent in stores and encourage repeat visits, particularly as the role of physical store evolves. And they may help retailers maximize returns on their real-estate investments as they are likely to have excess square feet. In some cases, however, it may be better for retailers to partner with an expert to provide these services rather than trying to do it themselves.

ABOUT THE GLOBAL SURVEY METHODOLOGY

The findings in this survey are based on respondents with online access in 61 countries (unless otherwise noted). While an online survey methodology allows tremendous scales and global reach, it provides a perspective on the habits of existing merely Internet users instead of not total populations. In developing markets where online penetration is still growing, respondents may be younger and more affluent than the general population of that country. In addition, survey responses are based on claimed behaviors rather than actual metered data. Cultural differences in reporting sentiments are likely factors in the outlook across countries. The reported results are not to contain attempts to control or correct for these differences; therefore, cautions should be exercised when comparing across countries and regions, particularly across regional boundaries.

ABOUT NIELSEN

Nielsen Holdings plc (NYSE: NLSN) is a global performance management company that provides a comprehensive understanding of what consumers Watch and Buy. Nielsen's Watch segment provides media and advertising clients with Total Audience measurement services across all devices where content—video, audio and text—is consumed. The Buy segment offers consumer packaged goods manufacturers and retailers the industry's only global view of retail performance measurement. By integrating information from its Watch and Buy segments and other data sources, Nielsen provides its clients with both world-class measurement as well as analytics that help improve performance. Nielsen, an S&P 500 company, has operations in over 100 countries that cover more than 90% of the world's population. For more information, visit www.nielsen.com.