

REDEFINING CONVENIENCE: NEW NIELSEN REPORT REVEALS SIX FACTORS DRIVING CONSUMERS' QUEST FOR CONVENIENCE

Consumers around the world are displaying burgeoning demand for convenient solutions that can help simplify their lives, with busy lifestyles and rising connectivity playing an increasingly pivotal role in buying decisions, according to a new report by performance management company, Nielsen.

The *Nielsen Quest for Convenience Report*, which explores changing global consumer needs, highlights rapidly growing demand for convenience in markets around the world. More than one quarter of global consumers say they seek out products which make their life easier (27%) and are convenient to use (26%), while around one in five consumers are looking for products which are suitable for small households (20%) and are tailored to a specific need (19%).

While demand for convenience varies somewhat by region, the Nielsen report reveals six key factors driving consumers' increasing need for convenience which are consistent globally:

- Urbanization
- Shrinking household sizes
- Crowded urban transport
- Evolving gender roles
- Generational needs
- Increasing uptake of technology

These drivers of convenience, and increasing demand for products and solutions which help to simplify lifestyles, are having an impact across myriad industries, particularly the highly consumer-dependent FMCG sector. The Nielsen report illustrates consumers' grocery and packaged goods product choices are underpinned by their experiences in three areas: shopping, consumption and brand engagement.

This evolving demand for convenience has given rise to a slew of life-simplifying products such as ready prepared and on-the-go meal solutions, home or office grocery delivery offerings, and tech-driven “on-demand” services. One third (33%) of global consumers use restaurant or meal delivery services (11% at least once a week). Grab-and-go meals from quick-service, fast food and street vendors are also on the rise — 57% of consumers globally have visited a fast food outlet in the past six months. Lunch and dinner are the meals most likely to be substituted with out-of-home dining options, with 39% of global online consumers opting to eat outside on a weekly basis, and as many as 48% of consumers in Asia-Pacific and 47% in North America grabbing meals on the go. For Vietnam consumers, 56% of them choose another out-of-home alternative for breakfast instead of having the first meal of the day at home.

Shopping experiences for global consumers are driven by an evolving retail landscape, e-commerce and omni-channel facilities. A Nielsen e-commerce study across 30 countries indicates FMCG online sales are growing an estimated five times faster than offline sales, and by 2020 global FMCG e-commerce will be worth more than US\$400 billion and comprise 10%-12% of overall FMCG market share.

Mobile devices and digital platforms are also shaping consumer experiences, and transforming brand-to-consumer engagement. Three quarters (75%) of global consumers say they enjoy the freedom of being connected anytime, anywhere, and this prevalence of connectivity provides multiple touchpoints for FMCG companies to interact with consumers, and leverage localisation to improve engagement through personalised and authentic recommendations.

“Convenience means different things to different consumers around the world, depending on their circumstances, culture, location, market maturity and access to technology,” observes Nguyen Huong Quynh, Managing Director, Nielsen Vietnam. These are key influencers that are driving the need for FMCG companies to offer solutions that address the growing need for convenience.

“Equally important, omnipresent technology adoption is providing an ever-increasing array of consumer data, enabling greater customization,” Quynh continues. “FMCG players need to adapt to

circumstances and provide integrated shopping experiences that allow consumers the freedom of greater choice of solutions that meet their needs.”

ABOUT THE NIELSEN QUEST FOR CONVENIENCE REPORT

The Nielsen Quest for Convenience report looks at changing consumer needs around the world, specifically focusing on factors driving consumers’ increasing need for convenience, such as high density urban living, increasing commuting times and changing roles in our society. Around the globe, consumers need and look for different types of convenience - whether simplicity, time saving or suitability. The report combines global perspectives, regional deep dives, and a number market highlights to compare and contrast interesting and noteworthy differences in convenience trends around the world.