



Imperial College
London



Asian Food Market Developments and Opportunities for Australian Food Businesses

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A Chat with Wiley and Friends
Woolloongabba, Brisbane, QLD
Wednesday, August 9th, 2017



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www.supermarketsinyourpocket.com



Llanfairpwllgwyngyllgogerychwyrndrobwylllantysiliogogoch

**LLAN - FAIR - PWLL - GWYN - GYLL - GO - GER - YCH - WYRN
- DROB - WLL - LLAN - TY - SILIO - GO - GO - GOCH**

It was a beautiful summer 's day, two English tourists were driving through Wales.

At Llanfairpwllgwyngyllgogerychwyrndrobwylllantysiliogogoch (that's the railway station in Wales which has the longest station-name in the world and which only Welsh people can pronounce).

They stopped for lunch, and one of the tourists asked the waitress :

'Before we order, I wonder if you could settle an argument for us.

Can you pronounce where we are, very, very, very slowly, please? '

The girl leaned over and said,

' Bur gurrr King '



Who's the Most Profitable in Global Grocery Top 50?*

<i>Company</i>	<i>EBIT Margin (% of sales)</i>	<i>Grocery Sales* \$billion</i>
BAT	47	20.0
Altria Group	46	19.2
Reynolds American	43	12.5
Philip Morris Int.	41	26.7
SAB Miller	31	14.9
Diageo	30	14.2
AB InBev	28	45.5
Johnson & Johnson	28	13.3
Colgate-Palmolive	25	15.2
Japan Tobacco	24	18.9
Reckitt Benckiser	24	13.4
Pernod Ricard	24	9.6
Kraft Heinz	23	26.5
P&G	21	64.9

Source: OC & C (UK), 2017

*based on 2016 (or nearest) financial data

Who's the Least Profitable in Global Grocery Top 50?*

<i>Company</i>	<i>EBIT Margin (% of sales)</i>	<i>Grocery Sales* \$billion</i>
Conagra	-1.2	14.1
Bunge	2.7	8.5
Nippon Meat	2.7	11.4
Yamazaki Baking	3.1	8.9
ADM	3.2	22.2
JBS	4.0	48.6
Arla Foods	4.0	9.0
Royal Friesland Campina	5.3	9.8
Tingyi	5.3	8.3
Brasil Foods	5.4	9.7
Suntory	6.5	22.0
Grupo Bimbo	7.5	13.6
Tyson Foods	7.7	36.9
Kirin Breweries	8.5	16.4

Source: OC & C (UK), 2017

*based on 2016 (or nearest) financial data



World Class Specialty Food Ingredient Companies from Denmark



Quietly & Regularly Earning Well Above Average Food Industry Profit Margins. Business Models Based on High R&D Spend, Long-Term Research Partners and IP-Protected Products

Top 20 largest grocery markets in 2021 (real growth)

Stripping out the estimated impact of inflation

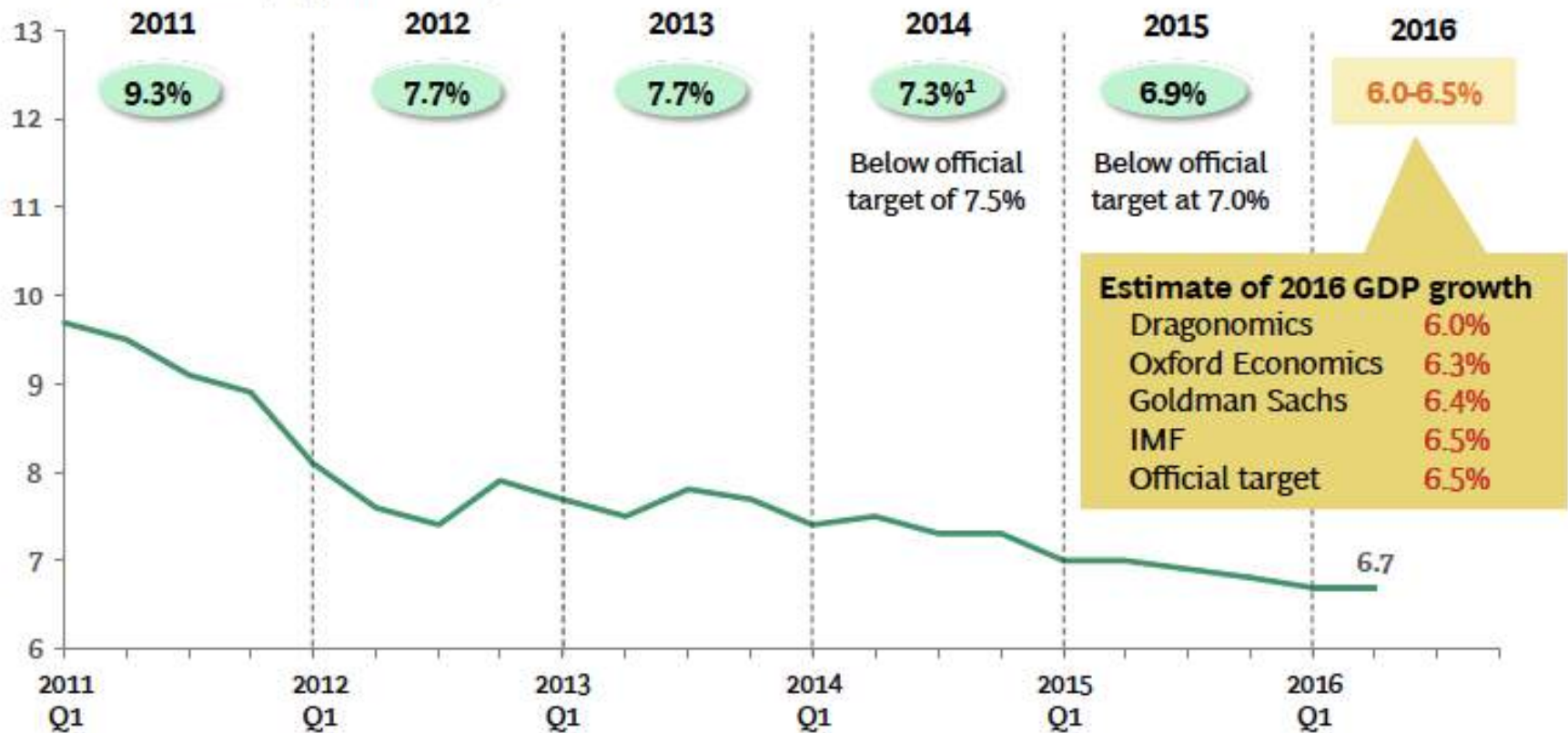
Rank	Country	2021 US\$bn	CAGR 16-21
1	China	1,330	3.0%
2	USA	1,178	1.4%
3	India	545	3.9%
4	Japan	423	-0.4%
5	Brazil	331	2.3%
6	Russia	276	0.7%
7	Germany	264	0.3%
8	France	261	1.2%
9	Indonesia	250	4.4%
10	UK	248	-0.2%

Rank	Country	2021 US\$bn	CAGR 16-21
11	Mexico	219	3.0%
12	Italy	198	0.8%
13	Turkey	162	0.4%
14	Philippines	128	5.9%
15	Nigeria	127	0.7%
16	Spain	124	1.0%
17	South Korea	121	2.3%
18	Egypt	119	3.3%
19	Pakistan	102	3.0%
20	Canada	98	1.3%

China economic growth is slowing



Real GDP growth (% quarterly YoY)

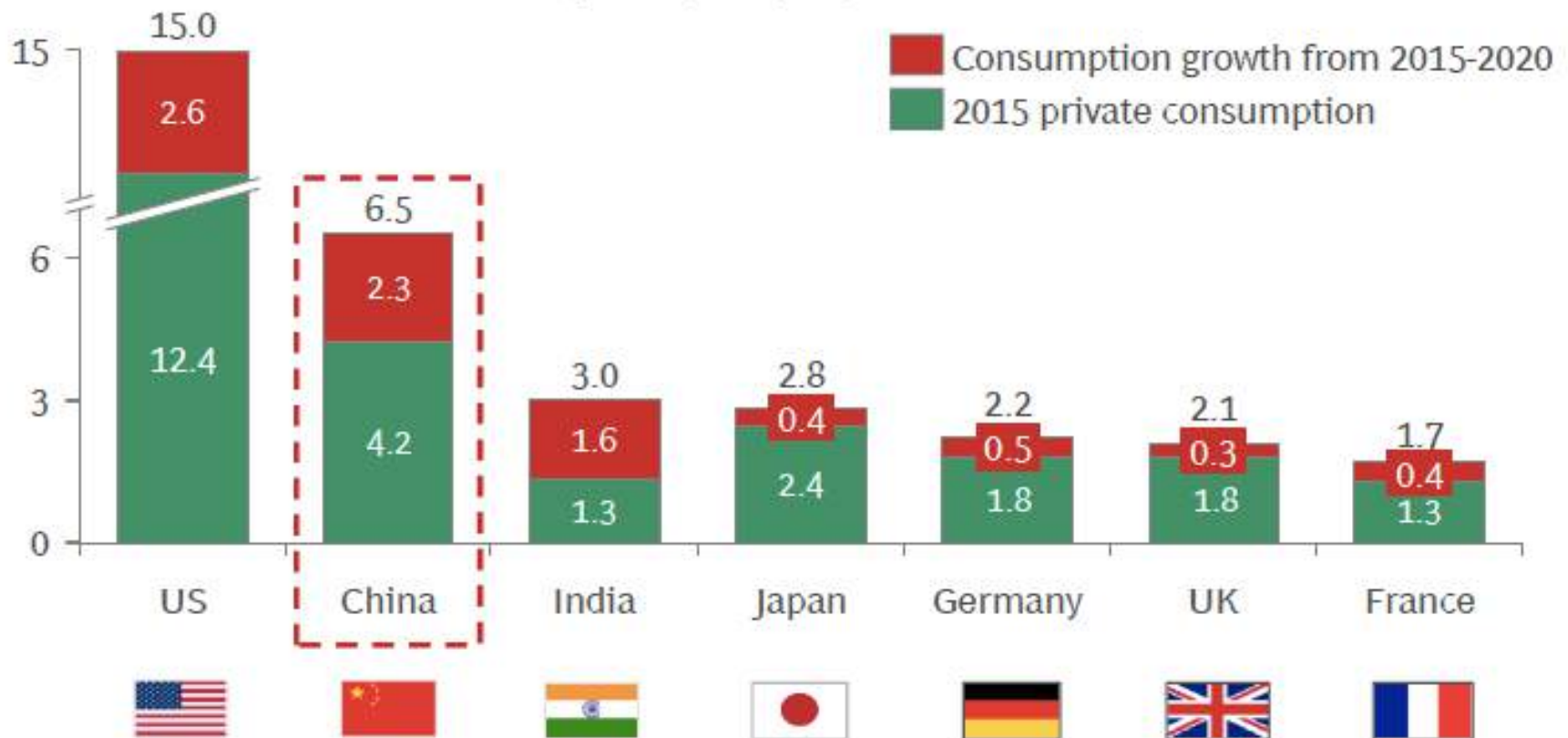


1. Revised down from 7.4% to 7.3% in Sep 2015
Source: NBS, analyst reports, IIT research, BCG analysis

Yet, even 5.5% GDP growth yields another "Germany" of consumption by 2020

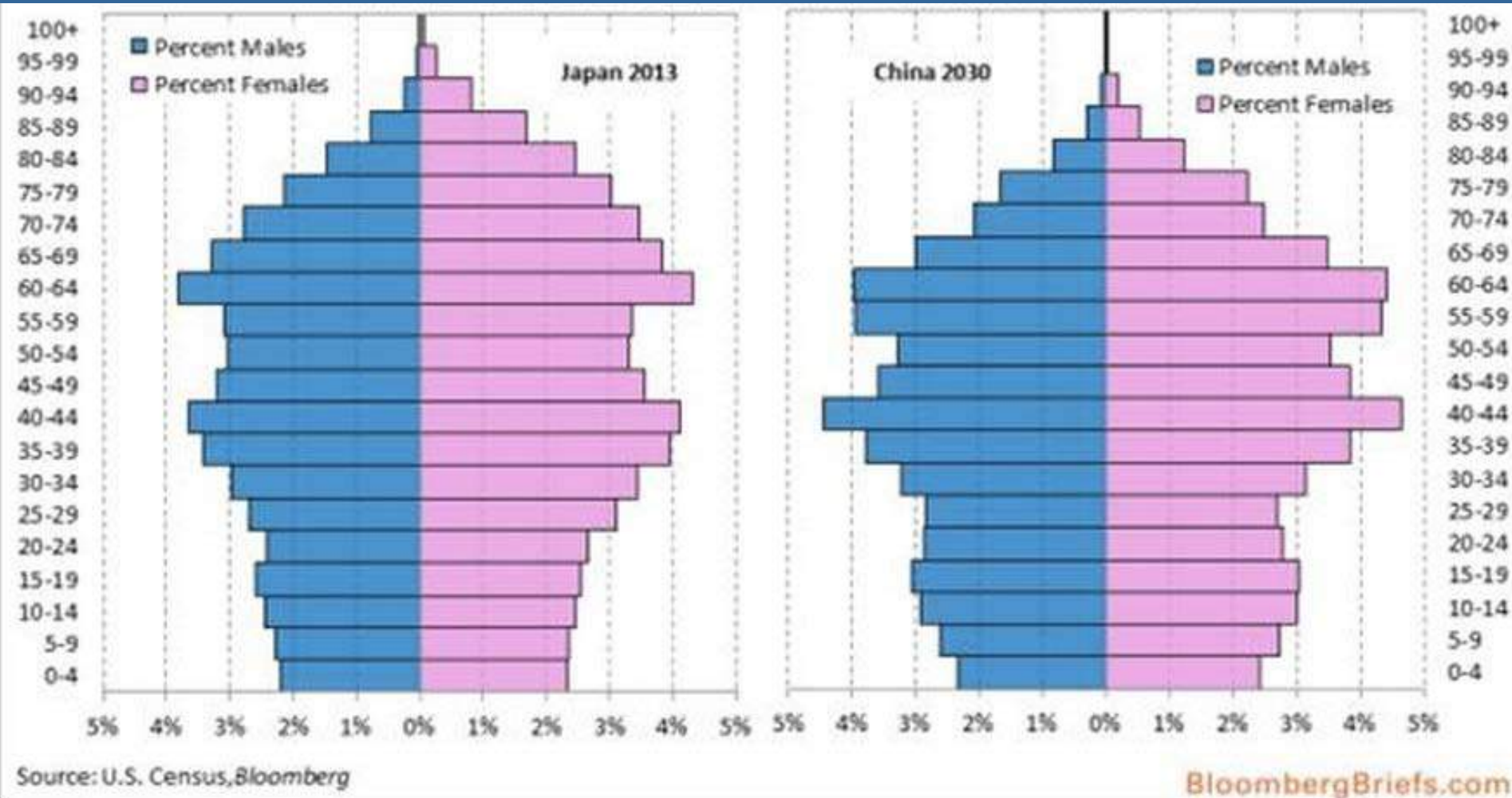


2020 Nominal Private Consumption (USD, Tn)



Source: EIU, BCG analysis

China 2030 Demographic Profile Strikingly Similar to Japan Profile Now! Food Products with Anti-Ageing Attributes in High Demand!



China Gets Old Before It Gets Rich (with all the associated social and health problems).

Nestle eyes China's ageing population with milk NPD

Chinese Population Ageing Fast!
Food and Health Intrinsically Tied in
History and Culture.
Much Less Scientific Rigour Required
For Health Claims. But, Anyway, Baidu
Can Tell the Health Story!



Nestle is claiming it can boost the brain-power of the middle-aged and elderly in China with a new functional food.

Yiyang Fuel For the Brain senior milk powder, described as an "innovative" product, is aimed at those aged over 50 to help slow down brain ageing and even prevent and control various geriatric diseases. As part of Nestle's Yiyang range, it joins a line-up of protein and nutrition powders targeted at the adult nutrition market.

China has an ageing population, with around 25% of the population being over 50. It is predicted by 2050 the country over-50s could represent up to half the population, up from just over 28% in 2010.



May 22nd
2017

Yum Says It's "Full Steam Ahead" After Chinese Spin Off Approved

Email  Print  Share     

27 Sep 2016 --- "We are moving full steam ahead," said Yum China boss Greg Creed, as the directors of the US fast food giant approved the hiving off of its Chinese unit.

The owner of Pizza Hut and KFC has sold off a combined \$460m stake in its Chinese operations to Chinese investment firm Primavera Capital and Ant Financial Services Group, an affiliate of the internet giant Alibaba.

Its Chinese unit will begin trading as a separate entity on the New York Exchange in November this year.



China: Huge Purchasing Power can Make and Break Markets!

McDonald's Sells Control of China Business to Citic, Carlyle

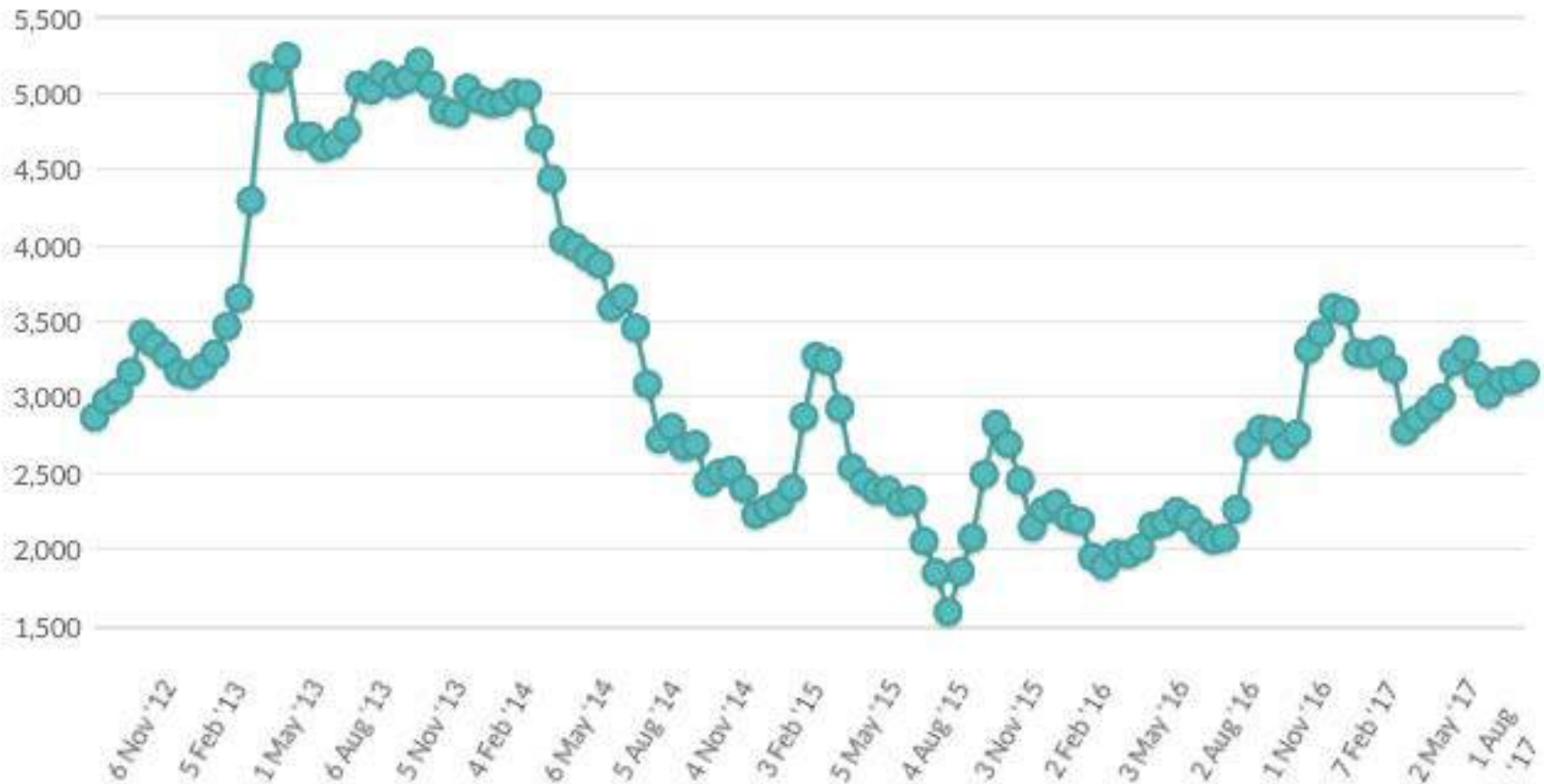


The Global Dairy Roller Coaster Ride: WMP Prices 2012 to 2017 (US\$/Tonne)

Whole Milk Powder Prices

12 months

5 years



What is Most Likely to Blow [Businesses] Off Course? “[Political] Events, My Dear Boy, [Political] Events”!

Norway sees Liu Xiaobo's Nobel Prize hurt salmon exports to China

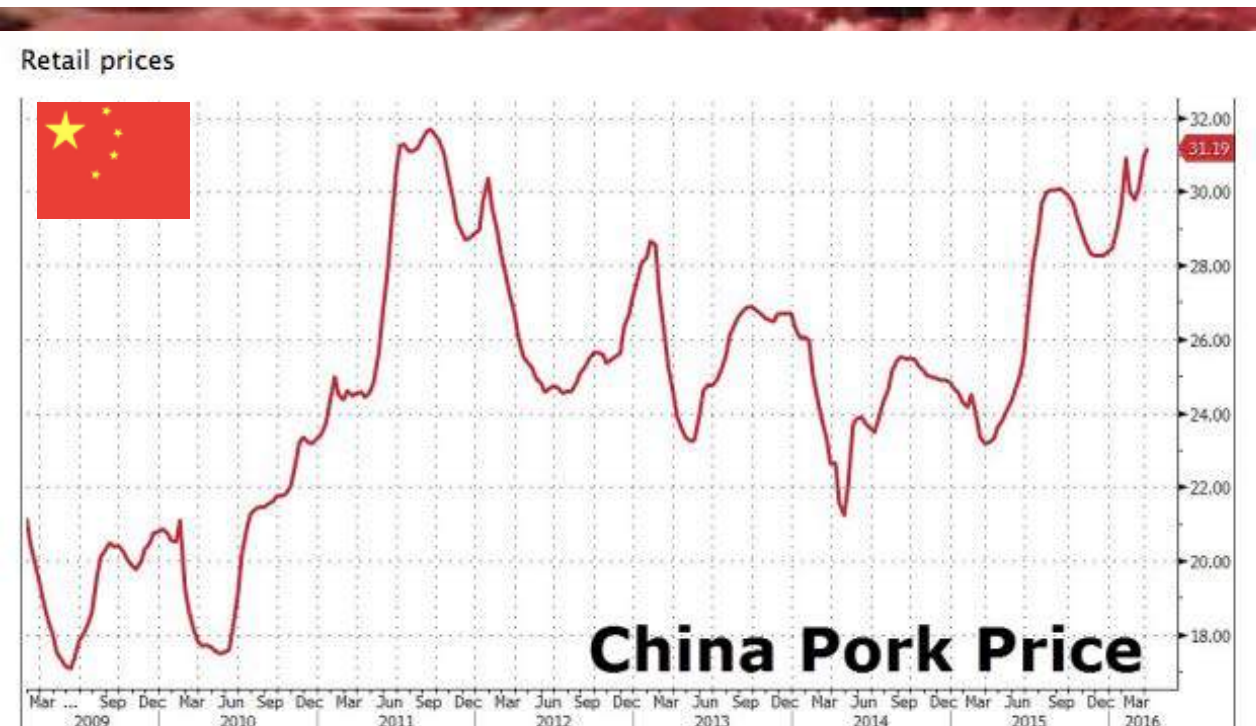
EU trio presses for more sanctions against Russia over Aleppo

Russia extends embargo on EU food products

Mexico ready to retaliate by hurting American corn farmers



China Unleashes SPR (Strategic Porcine Reserve) As Pork Price Surge Threatens Social Unrest May, 2016



The Dreaded Durian: Adored in Asia (Appalled in the West!)





90.00
¥9.00-2.00

71.00
¥7.10-2.00

73.00
¥7.30-1.50

93.00
¥9.30-1.50

73.00
¥7.30-1.50

水产
欢迎选购

水产
欢迎选购

中华鳖
原庄原

千岛湖
生态
大闸蟹

中山名牌
清溪花蟹

中华鳖
野生四时蟹

大闸蟹
200g

大闸蟹
200g

大闸蟹
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大闸蟹
200g





Global Differences
In What Shoppers
Value in Meat



A Knot
of Frogs



32 linear metres x
4 shelves of eggs!

Wu Mart, Hangzhou,
China (Nov. 19th, 2016)



Asian Retailers Excellent
at Egg Theatre.

Generally. Located Adjacent
to Fresh Food Department
and NOT Hidden in the
Home Baking Section (UK),
or At the Back of the Store
Next to the Milk Where the
Lighting is Poor (Australia)



Beijing Supermarket
September 4th, 2016

That's A\$3.10 per
125 gm. punnet
i.e. A\$24.80/kg. RSP



In Asia, in general, and China in particular, health Attributes of Food Products Have Substantial Resonance with Consumers of All Ages



Beijing Supermarket
September 4th, 2016

That's A\$40/kg. RSP

品名: 櫻桃

¥ 108.00

产地: 澳洲

等级: 合格

单位: 500g

规格: 散

编 码: 199879

监督电话: (010) 64808577

新鲜

新鲜大放价

Walmart

Supercentre

沃尔玛

新鲜大放价

省

沾化冬枣(普通)

4.98

元/500克

3

元/斤

国产柠檬2个/袋

33.8

元/500克

海霸王脆皮丸子

12.8

元/500克

白象羊

29.8

元/500克

肥牛肉片

33.8

元/500克

牛腩肉

39.8

元/500克

冻带鱼段3-5

4.9

元/500克

鱿鱼片

13.9

元/300克

冻扇贝肉60-80

13.9

元/500克

樟茶烤鸭

16.8

元/只

丹麦卡仕达条

5.5

元/个

1/8切片披萨

7.5

元/块

肉松饼

15.8

元/500克

小米

5.98

元/500克

香菇

59.8

元/500克

有效日期: 2015年10月22日至11月4日

山东富士苹果小

4.9

元/500克

上五花肉

11.8

元/500克

山药

3.98

元/500克

大闸蟹110-125克

15.8

元/只

大白菜

1.58

元/500克

带鱼

17.8

元/500克

有效日期: 2015年10月29日至11月4日

腊味飘香

有效期: 2015年10月22日-11月4日

凤凰球

15.8

元/斤

散装腊肠

15.8

元/300克

年年旺香肠456克

18.8

元/包

湖南风味腊肉200克

13.8

元/包

散装腊肉

29.8

元/300克

农家

29.8

元/包

豉板鸭515克

29.8

元/包

好汁好味

奇异果

有效期: 2015年10月22日-11月4日

佳沛奇异果(25个/箱)

158

元/箱

佳沛金奇异果(25个/箱)

268

元/箱

佳沛奇异果(1个)

3.5

元/个

佳沛金奇异果(1个)

12.8

元/个

佳沛奇异果(1个)

6.8

元/个

佳沛金奇异果(1个)

19.8

元/箱







**The Hot Pot Market in China: HUGE Important to the
NZ and Australian Lamb & Mutton Export Trade**



ผัดวุ้น



KANTAR

Focus on ASEAN



Food and Beverage Trends: 2017

1. Functional Consumption

Eating for specific purposes, relate to health and wellness trend, focus on ingredients, healthy eating, sustainable eating, The main benefits sought after are functional benefits but still thrive for emotional benefits .



Functional Consumption in Malaysia:

Fitness is a big thing in Malaysia right now, where we see the mushrooming of many boutique gyms and concept gyms (e.g. females only, indoor spinning). With that in mind, we also see a market and growing trend in healthy eating..

Salad bars

Simply Green, Salad Atelier, Chai Bar, Life Juice Salad Bar



Organic and meatless (vegetarian) cafes/ restaurants

The Good Co, Goodness Greens Café, BMS Organic, Simple Life



Healthy meal deliveries (available online only)

Dah Makan, Chopstick Diner, The Lunch Club Asia, The Naked Lunchbox, Healthy Ever After



Cold-pressed juices and juice diets

La Juicera, Life Juice, Juicify, Strip Juice, Wellness Inc,



HEALTH & WELLNESS Trend in Vietnam is growing and is impacting the way Vietnamese consume food and beverage

Availability of multiple healthcare and nutritional solutions with diversified benefits and product innovation



Fresh & Delicious



Fortification



Organic

Constant scandals about food safety and hygiene issues have raised concerns among majority



The booming of the Internet and other digital/ media platforms that allows more access to sources of information

- ✓ More updated with news
- ✓ Able to validate information
- ✓ Catch up new trends from outside the country

ANKAMILK ENABLES CONSUMERS TO TRACE DOWN ORIGIN OF EVERY SINGLE PRODUCT



Food and Beverage Trends: 2017

2. Mini- Food trend

Into smaller portion, a dilemma of wanting to indulge in taste but conscious about health so they find a middle path by having smaller portions, controlled diet – conscious about calorie consumption



Mini- Food are small and fun!

COKE ZERO mini



CORNETTO mini



CAPLICO mini



Chips ahoy! mini



Food and Beverage Trends: 2017

3. Food as Fashion

Food is seen as image enhancement, eating what is seen as 'hip' and "fashionable", coffee shop culture, appreciate food that looks beautiful and not just its taste



Food as fashion is hot among millennials in Myanmar 🇲🇲

Food is fashion, it's an image enhancer. It's about eat to live. It's not just food but also the overall experience of food + ambience. Appreciate food that looks beautiful and also more inclined to taste than health. Eat to live life to the fullest.



Food must be glamorous and fun for Thai consumers

Its taste over health, fun over being serious, and all needs to look glamorous. TGF necessary to justify worth. Its about instant gratification. Healthy food, organic food is a fad that passes so brands should focus on taste and nice packaging.



Cambodia



Food seen as an image enhancer

Food and drink are seen as image lifters. Appreciate well designed food and prefers to frequent nice set ups e.g. premium coffee shop, seafood restaurants.

The trend is strongest among millennials.



Food and Beverage Trends: 2017

4. Inter-Brand Fever

High demand for international brands which are perceived as premium and delicate dinning. Consumers are willing to pay higher to be seen in international food outlets. Also, products from abroad are seen as having higher quality



International brands and chains in Malaysia

Korean and Japanese brand are popular among Malaysian consumers.

Korean

- Fried Chicken - Kyo Chon, Chir Chir Chicken, 4 Fingers
- Korean BBQ - Shinmapo



Japanese

- Cheese tarts and cakes – Pablo, Tokyo Secret, Hokkaido baked Cheese Tart, Uncle Tetsu
- Croissant Taiyaki
- Coco Ichibanya Curry House
- Ippudo Ramen



PREMIUMNIZATION is big in Vietnam. International brands are seen as high in quality, good in image and innovative.

Wholly imported
Originated from Japan,
European countries, US



Having quality certifications or
applying foreign technology



*Under International Quality
Management System
certified by UKAS of
England*



Always stay ahead of the curve
with innovations and renovations
(4Ps)



Food and Beverage Trends: 2017

5. Street Fusion

Higher variety and more creativity seen in both high and low end food and beverage products.

Creative ingredient, mix of traditional and modern cuisine, neo-traditional food with interesting twist is an ongoing trend



Indonesia- Reinventing Martabak: A display of Street Fusion Innovation

Martabak(Indonesian version of pancake) has always been the king of street food –Available in both sweet & savoury

Now we are seeing more innovation and fun e.g. with Ovaltine, Nutella, Mozzarella cheese and Red Velvet



Popularity of mixing ingredients e.g. traditional plus western, street food plus high end cuisine



The Novelty Fusion experiences - New dining concept in Malaysia

Food trucks



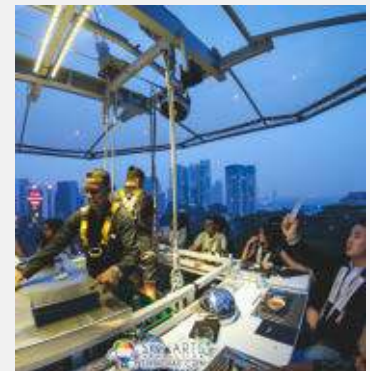
Fish markets/ Japanese Food Hall



English High Tea



Pop up restaurants/ kiosk/ bars



Food and Beverage Trends: 2017

6. Food on Demand

Fast and delicious, wants variety, convenient, on demand- no limitation

The growth of digital has empowered this trend. There are more demands of online catering, special types of food and more variety.



DIGITAL is changing the food landscape.

Internet infrastructure develops and enables consumers to easily access to online platforms



Consumers want more convenience and quicker products and services.



Vinamilk develop their own e-commerce channel

UBER

Grab

airbnb

Food and Beverage Trends: 2017

7. Café Society

Fashionable café are gaining popularity across Asian countries, ranging from international brands and local specialists.



The Café Society in Malaysia

The Café scene never stop growing in Malaysia, however we see more themed cafes being introduced to stand out from the stiff competition

**Breakfast thief – a
Melbourne café**



Pokemon cafe



**DC Comic Superheroes
cafe**



Hello Kitty Cafe



Dessert specialists and Home Bakers adds to the hot trend of Café Society

It's no longer about cakes and waffles only, Malaysians are pampered with great variety of choices, from stacked rainbow soft serve, French toast, salted egg yolk croissant to Bingsu. We also see many Millennials and Gen Z becoming young entrepreneurs and home bakers, whipping up too-beautiful-to-eat gourmet cakes



Café is big in Vietnam: Variety leads to more popularity.

Star buck & Hollys coffee are popular international brands in Vietnam



TRUNG NGUYEN COFFEE & Highland coffee which are local brands are also in the lime light.



Food and Beverage Trends: 2017

8. Food for the World: Social Responsibility Trend

Consumers in ASEAN are more conscious about the impact of companies to society. For the food industry, they are calling for social responsibility related to the environment, food safety, good governance and local community development



Vietnam: People appreciate brands with **SOCIAL RESPONSIBILITY**

Sharing spirit is in our blood!



Vinamilk promised to donate 4 million glass of milk to build up the height for Vietnamese kids

Consumers want to contribute more to the society



Nestle designed a plan to help coffee farmers to grow with the company

Consumers start to appreciate companies who grow with sustainability and positive impact to the environment

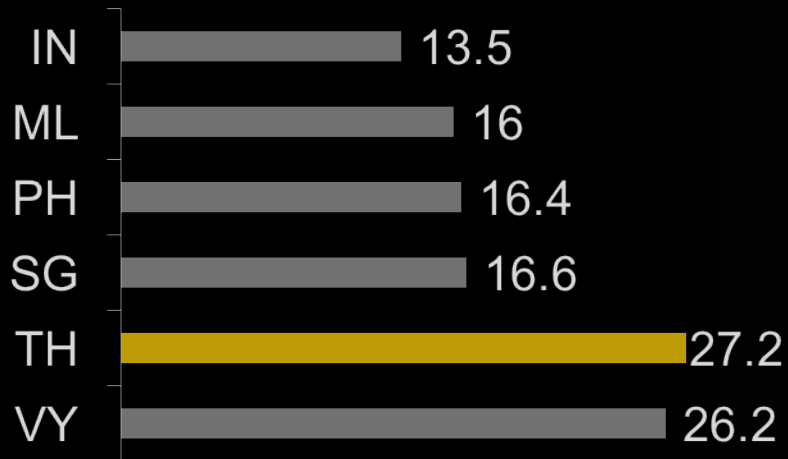


Ajinomoto committed to environment friendly process and openly invite visitors to their factory

Trend2: Life is online – longer time spend online

Time online (hours per week)

ASEAN 6



Thank you!

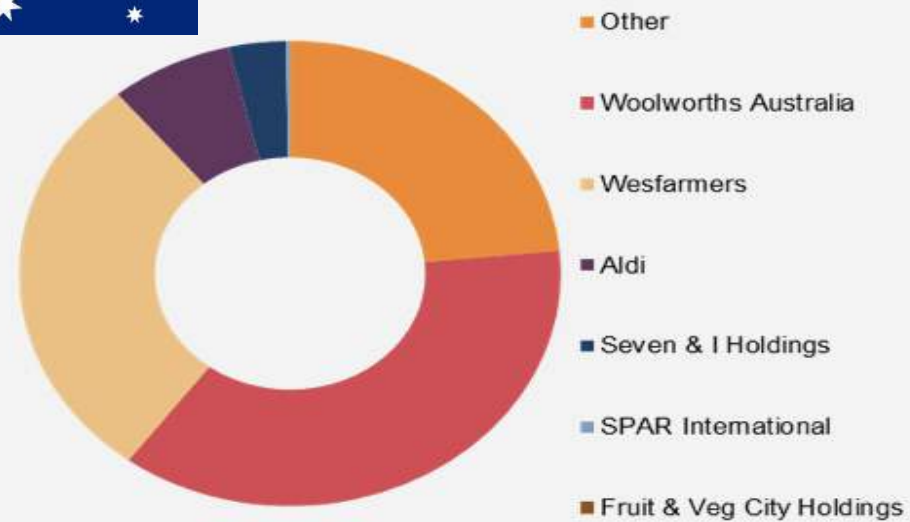
Arpapat Boonrod, Ph.D.
CEO, Kantar Insights Thailand
Arpapat.boonrod@kantar.com



Grocery Retail Market Shares 2017

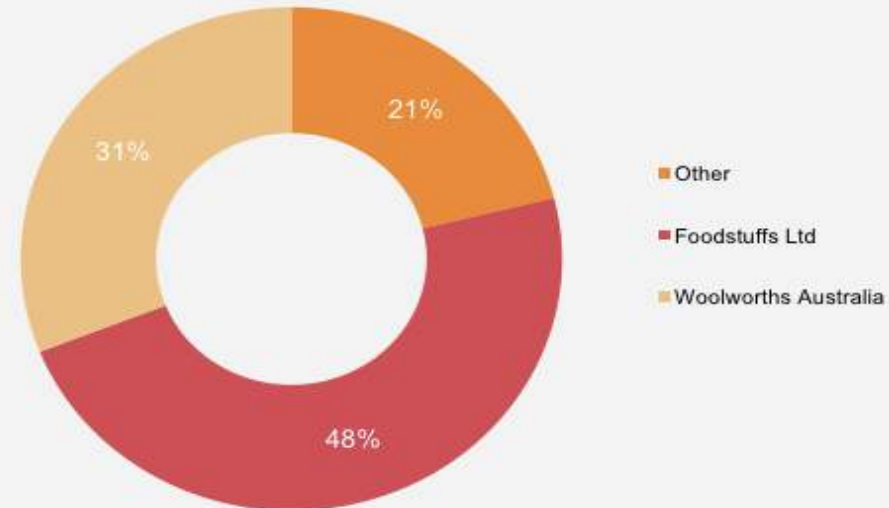


Retailer	2016	2017	2018
Woolworths Australia	37.6%	36.7%	36.0%
Wesfarmers	28.7%	28.8%	29.0%
Aldi	6.6%	7.3%	8.1%
7-Eleven	3.1%	3.4%	3.6%
SPAR International	0.2%	0.2%	0.2%
Fruit & Veg City	0.0%	0.0%	0.0%



Grocery Retail Market Shares 2017

Retailer	2016	2017	2018
Foodstuffs Ltd	46.7%	47.9%	49.6%
Woolworths Australia	30.7%	31.0%	31.3%



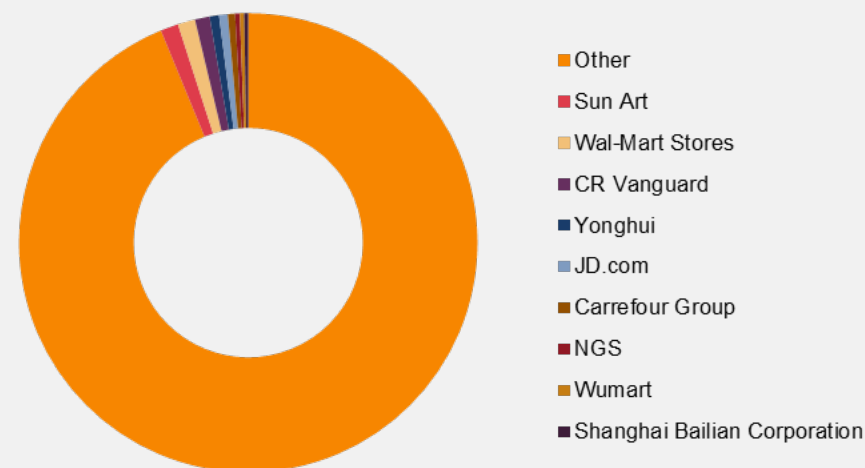
IGD grocery retail market shares

The grocery retail market remains **highly fragmented**. While modern trade has been developing rapidly, **traditional trade still plays an important role at a national level**. With the top 10 retailers accounting for less than 8% of the market, **more mergers are expected for consolidation**.



Retailer	2016	2017	2018
Sun Art	1.3%	1.3%	1.2%
Wal-Mart Stores	1.2%	1.2%	1.3%
CR Vanguard	1.1%	1.0%	1.0%
Alibaba Group	0.7%	0.9%	1.0%
Yonghui	0.6%	0.7%	0.7%
Carrefour Group	0.5%	0.5%	0.5%
JD.com	0.4%	0.5%	0.6%
NGS	0.4%	0.3%	0.3%
Wumart	0.3%	0.3%	0.3%
Shanghai Bailian Corporation	0.3%	0.3%	0.3%

Grocery Retail Market Shares 2017



Maslow's Hierarchy of Needs and the Asian Equivalent





บริษัทผู้ค้าเกิด จำกัด

海鮮市場及大酒樓

Sea Food

MARKET
RESTAURANT
SEAFOOD

MARKET
RESTAURANT
"IF IT SWIMS WE HAVE IT"

IF IT SWIMS WE HAVE IT

Differences between Low and High Power Distance Countries

Low Power Distances

- privileges/ status symbols frowned upon
- teachers expect initiatives from students in class
- inequalities between people should be minimized
- parents and children treat each other as equals

Scandinavia, Ireland, Austria, NZ/Australia, Israel

High Power Distances

- privileges and status symbols expected
- teachers expected to take all the initiatives in class
- inequalities between people are expected and desired
- children respect parents and parents expect obedience

Malaysia, China, Mexico, India, The Philippines

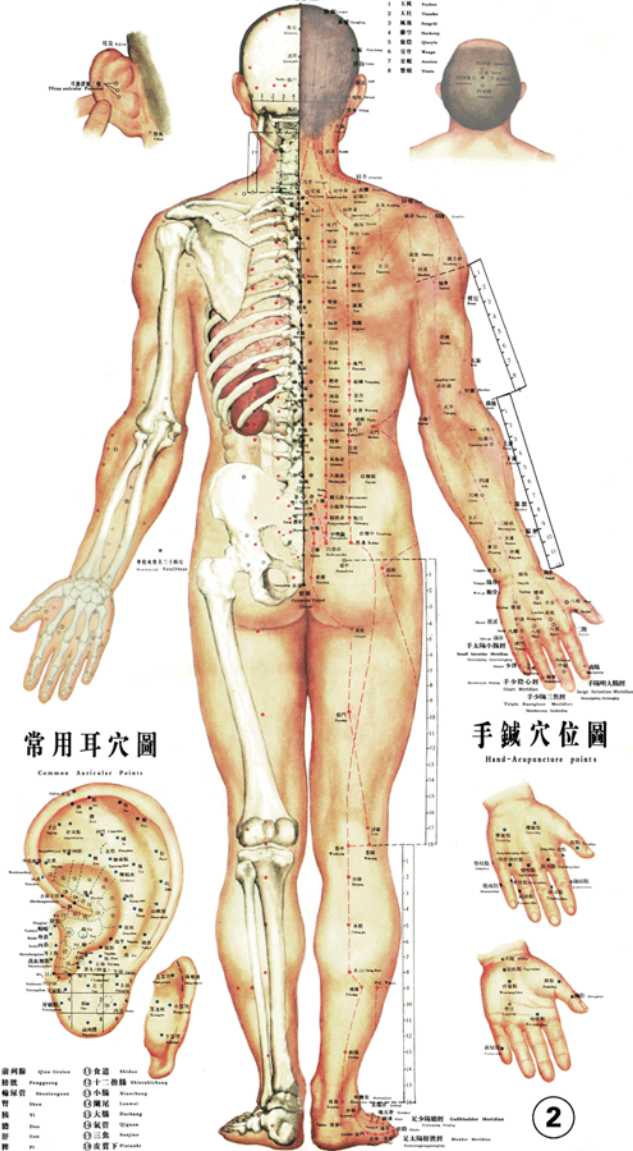
Do Asian Consumers Differ on Ingredient Trends?

- recognise all ingredients on the label/list
- short and simple list
- natural/all natural*
- no artificial ingredients
- low or reduced fat/sugar/salt
- substantially more aware of health attributes of food
- including “beauty” ingredients (e.g. Japan – collagen)
- simmering concerns about food safety aspects
- “Free From” trend not widespread

* natural starch more acceptable than modified starch

鍼灸穴位掛圖

Acupuncture Wall Chart





Noodle Kings

Master Kong	50.8%
Hualong	12.6%
Baixiang	8.2%

Source: ACNielsen

Graphic by Shen Wei



Profits from instant noodles, Tingyi's second-largest business by sales, fell by 36% to \$175.4m. The unit's revenue dropped 10.3% to \$3.23bn.



Healthy Food Trend Bites
Instant Noodle King Tingyi
(Master Kong) in China



Chinese food group Tingyi sees profits tumble



Point-of-Sale Material in Major Supermarket in Manila.

Is it legal? Dunno – it's effective!



**Robinsons
Supermarket**



In Asia. Food and Health Inextricably Linked

**Imperial College
London**

Gifting in China: The Importance of Premium Foods

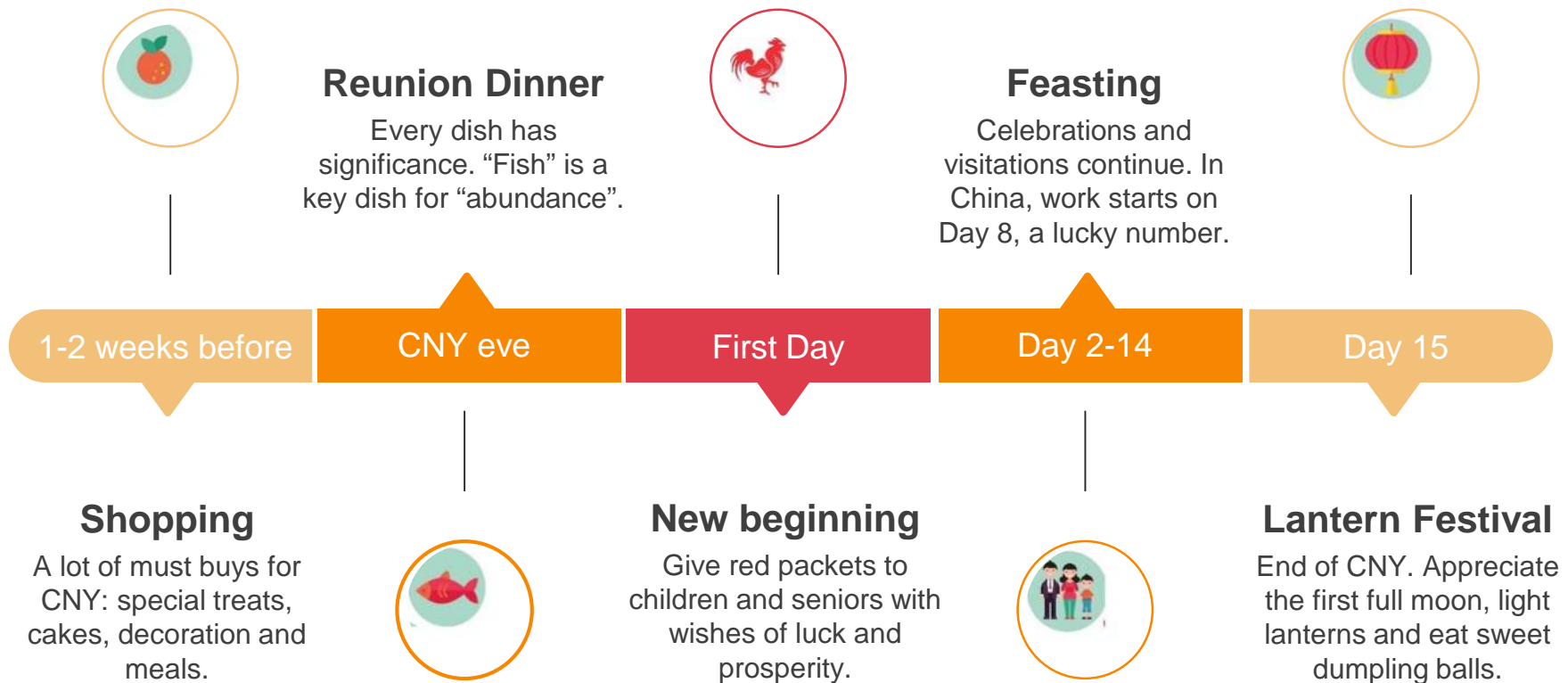


- key signal of value of relationships
- gifting helps to secure future needs (reciprocity)
- gift-giving frequency & value increasing each year
- for “ordinary” urban folk, range A\$100-400 per gift
- price and perceived quality hugely important
- food is seen as an ideal gift (great practicality and can indicate giving “health” to recipient)
- over 50% of gifts given in China are food
- imported foods have built-in gift appeal (may indicate greater respect and sincerity)
- Australian and NZ foods are firmly on the “gift map”

Key activities during Chinese New Year

CNY is celebrated over fifteen days. After a year of hard work, it marks a period of rest, reunion and celebration for families. The leadup to CNY is usually very busy. Besides cleaning, there is a lot of shopping for the reunion dinner and the next few days when most shops are closed.

Businesses give gifts of hampers and oranges to their clients to show appreciation. The first work day after CNY often begins with lion dances to bring in prosperity and ward off evil spirits.



Singapore



Eric Teo | 张添来
Culinary Consultant



鮑魚系列 Abalone Series

- 7 New Zealand Superior Abalone 425g (DW 150g)
- 8 Australian Premium Wild Abalone 425g (DW 180g)
- 9 Braised Baby Abalone 10s 425g

- 10 Oceania Baby Abalone 6s/8s 425g (DW 150g)
- 11 Chilean Baby Abalone 8s 425g (DW 150g)
- 12 South African Baby Abalone 8s 425g (DW 180g)



LB 188 心想事成 \$188

- Lo Hong Ka Yan Zhen Bird's Nest Drink 70g x 4
- Lo Hong Ka Fish Maw 80g
- Lo Hong Ka Mushroom 200g
- Lo Hong Ka Prune Essence 42ml x 3
- Lo Hong Ka Longan Honey 300g
- Snow Lovers (Gran Vegetarian Meat Floss) 95g
- Redondo Strawberry & Cream Wafers 400g
- Camel Natural Sweet & Nutty Mix 150g
- Yummy House Abalone Sauce 380g
- Fortune Braised Abalone 425g
- Fortune Pacific Clams 425g
- Le Parisien Cabernet Sauvignon 2011 750ml



PY 88 财源广进 \$88

- Amico Crispy Rice Flakes Original 60g
- Amico Crispy Rice Flakes Seaweed 60g
- Le Byoux French Wine 750ml
- Jelly Candies 120g
- Empico Chocolate Bar 120g
- Mili Lychee in Heavy Syrup 454g
- Daisies Rocky Choco 110g
- Ever Delicious Cookies 100g
- Sanwa Korean Ginseng Candy 100g
- Superior Dried Mushroom 90g
- Tip Top Cheese-it Cheese Cookies 70g
- Tip Top Fish Flavoured Bean Crackers 60g



LB 138 飞黄腾达 \$138

- Lo Hong Ka Yan Zhen Bird's Nest Drink 70g x 3
- Lo Hong Ka Revive Concentrate 120g x 2
- Lo Hong Ka Longan Honey 300g
- Lo Hong Ka Mushroom 200g
- Lo Hong Ka Fish Maw 80g
- Snow Lovers (Gran Golden Chocolate) 90g
- Skylight Superior Scallops w/ Braised Dried Mushroom 420g
- Skylight Premium Buddha Jump Over the Wall 420g
- Seaweed 12g
- Yummy House Abalone Sauce 380g
- Royal Select Sparkling Red Grape Juice 750ml



王林りんご Ohrin Apple

Ohrin Apple (王林りんご) directly translates as the "King Forest Apple". It is a premium variety with flavour profile of Shinano Gold and Indian Apple. With its distinctive thick, pale green skin with spots, the Ohrin Apple is immensely sweet with an intense fresh aroma.





Giant Hyperfresh in Singapore
(Dairy Farm International)





Gifting of Food and Drink Products Popular in Thailand and, particularly, Hamper-style



Premium Export Target: Chinese Millennials



- 400+ million of them (19-35 year old)
- “Little Emperors/Empresses” generation (only child)
- socially-conscious but, also, narcissistic
- hugely internet-connected/social media savvy
- world-leading on-line shoppers
- free-spenders
- privileged, entitled, enjoy the good life & getting better
- privileges & status symbols approved and expected
- Aussie/NZ product/image associations are cool



Xinxin with New Baby Wang
Economics Professor with a
Banker Husband.

Lives in Apartment with In-Laws
Downtown Hangzhou City*.

Singles' Day November 11th, 2016
She Purchased 90+ Items On-Line
Including Imported Meat**, Fruit, Wine

Alibaba Sales 11/11/16 \$17.8 Billion



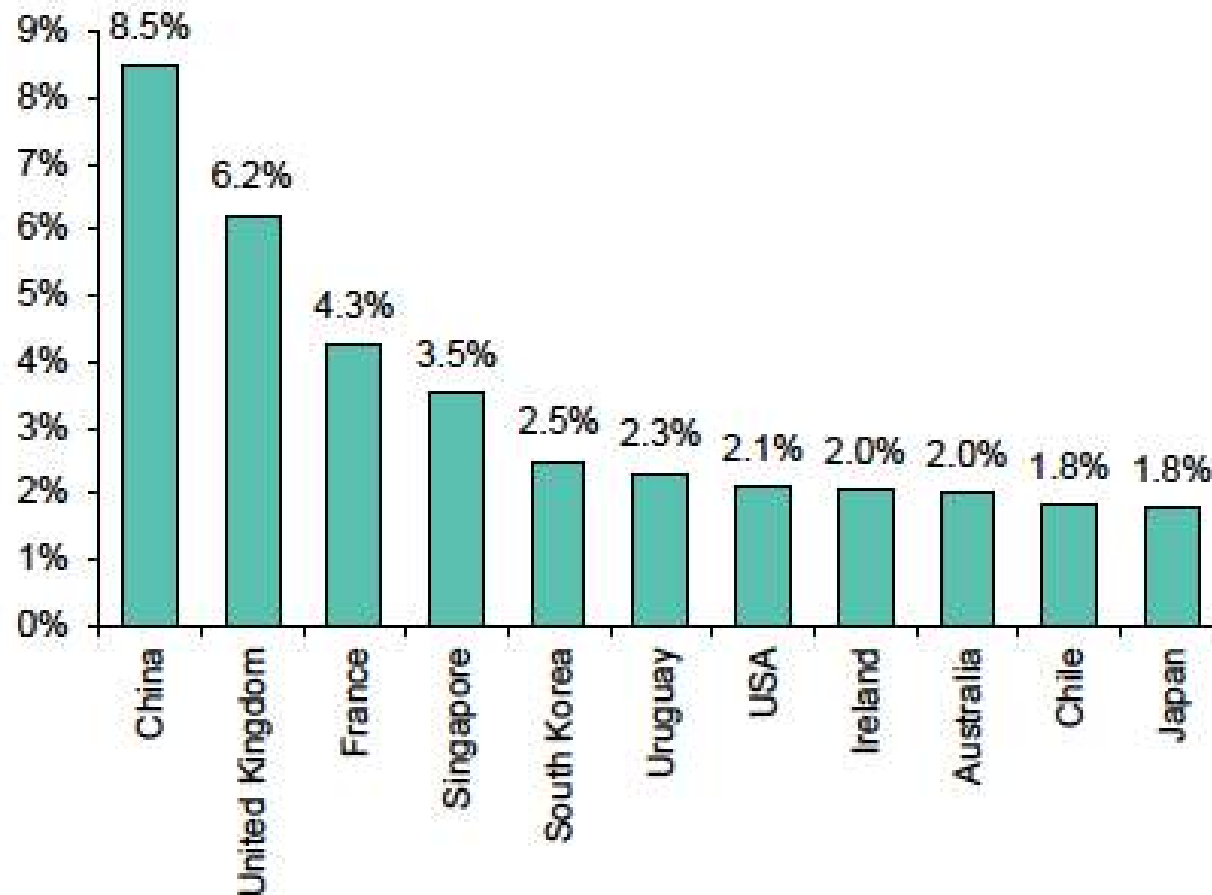
* G20 Global Economic Summit held in Hangzhou, 2016

** Purchased an extra fridge to store frozen goods bought on-line



E-commerce has traction in many key markets

Online market share (% of all grocery sales, 2016)

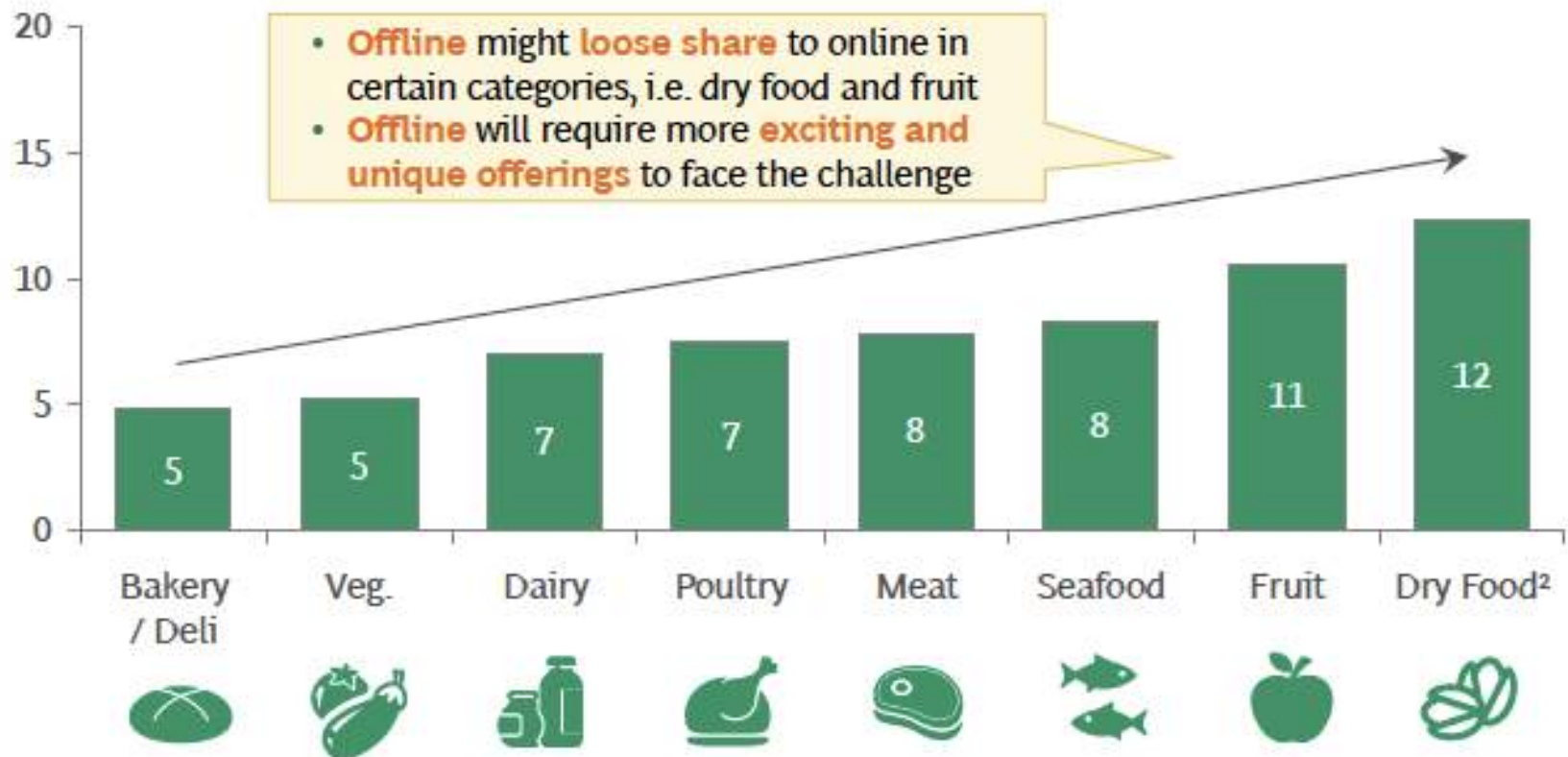


Online fresh consumption on the rise



2016 fresh e-commerce penetration by shopper and by value

of fresh grocery spend¹



1. % of total online fresh spend ; 2. dry food includes rice, flour, dried mushroom, dried fungus, nuts etc.

Source: BCG China CCI fresh survey 2016, BCG analysis

20
ANNIVERSARY

Scan me

Scan QR Code
on products to trace
our meat & poultry
back to the source.





YOUNGER GENERATIONS WILL RESHAPE MARKETS & WORKPLACES WITH DIFFERENT ATTITUDES AND BEHAVIOURS

Centennials

BORN | **AGES**
1997-Present | *0-19*
IN 2016

GLOBAL POPULATION IN 2025

2.4 BILLION

- Many now teens in school and college
- **Few financial commitments**
- First **mobile-native** generation
- **Resourceful** as have grown up in slow growth world

Millennials

BORN | **AGES**
1979-1996 | *20-37*
IN 2016

GLOBAL POPULATION IN 2025

2.03 BILLION

- Many at life stage where **start spending more**
- **Settling down** and starting families
- By 2020, will form **50% of global workforce**
- **Idealist**, prioritise meaning over materialism



URBANISATION BRINGS MUCH SMALLER HOUSEHOLDS & NEW LIFESTYLES



0.5bn

Number of new one person households emerging between 2016 and 2030

Households are getting smaller in every market. The change will be most dramatic in developing and emerging markets where the **average household will shrink from 4.9 to 3.7 people between 1985 and 2030.**



People are taking longer to settle down. In Singapore, around **half of those aged 25-29 were single in 2000 – now it is 71%.**

Powerful Global Consumer Trends

Key Trends

Increased focus on health & product origin

8



More value

More convenience

More fresh & healthy

More personal

Powerful Global Consumer Trends

Key Trends

Customers looking for convenience across channels



More value

More convenience

More fresh & healthy

More personal

Powerful Global Consumer Trends

Shoppers continuously seeking value

Key Trends

Customers are buying **more value** and **more premium** products



Tech driving (price) transparency



Own brands building retailer brand equity



More value

More convenience

More fresh & healthy

More personal

Seeking personal relevance and connection

9



More value

More convenience

More fresh & healthy

More personal

Campbell's Soup invests \$32M in personalized nutrition startup Habit

EAT WITHOUT
Doubt

Eggs are good? Eggs are bad? Find out what your body's biology has to say.

JOIN WAITLIST

Your
HERO FOOD

AVOCADO

550
CALS

- Habit employs a team with a wide range of expertise, from nutrition scientists and health advisers to chefs and food scientists, to develop customized dietary recommendations for consumers. Set to launch early next year, the service also delivers meals specially tailored to that individual's biology, metabolism and personal goals based on the results of an at-home test kit.

Campbell ventures into nutrigenomics, delivering Habit meal kits to doorsteps

WHO'S WINNING IN THE REGION?

Across Asia the leading players have seen mixed performance, with local retailers continuing to outpace the growth of those headquartered outside of the region. Growth via the hypermarket channel remains challenging, however many retailers continue to drive growth through new stores, investment in multichannel operations, a focus on price and improvements to product ranges and existing stores.



Two Retail Players Key in Asian Markets in 2017 and On



Both Hugely Influential in
Food-to-Go Market





Retail Theatre
Good in Asia



ท็อปส์ มาร์เก็ต Tops market



Zhenbai Agricultural Produce Market, Shanghai

Traditional Wet Markets Dominate Fresh Produce Retail Trade





The Six Most Influential On-Line Platforms in Asia



Flipkart



coupang
Color Your Days



JD.京东
多·快·好·省

Rakuten

LAZADA
Effortless Shopping



美团外卖

美团外卖 送啥都快



DELIVEROO

PROPER FOOD. PROPER DELIVERY.



Deliveroo secret plans for 150 'dark kitchens'



Deliveroo begins investing in kitchen space to bring more restaurants to your area



BRIEF

BREAKING: Amazon to buy Whole Foods in \$13.7B deal

Market Capitalization of Some Major Grocery Players (\$bn)



\$464 bn.



\$314 bn.



\$242 bn.



\$76 bn.



\$17 bn.



\$15 bn.

What if Amazon Bought Sainsbury's?!

Posted on July 18, 2017 by Prof David Hughes & Miguel Flavián — [Leave a comment](#)

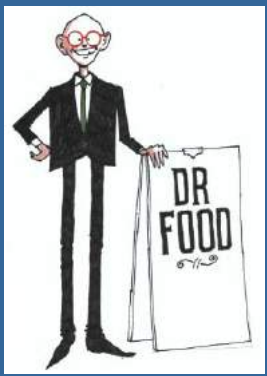
Sainsbury's
live well for less

NOW AVAILABLE AT

amazon


Market Cap Amazon \$500 bn.
and Sainsbury's \$7 bn.
End of July, 2017

www.supermarketsinyourpocket.com



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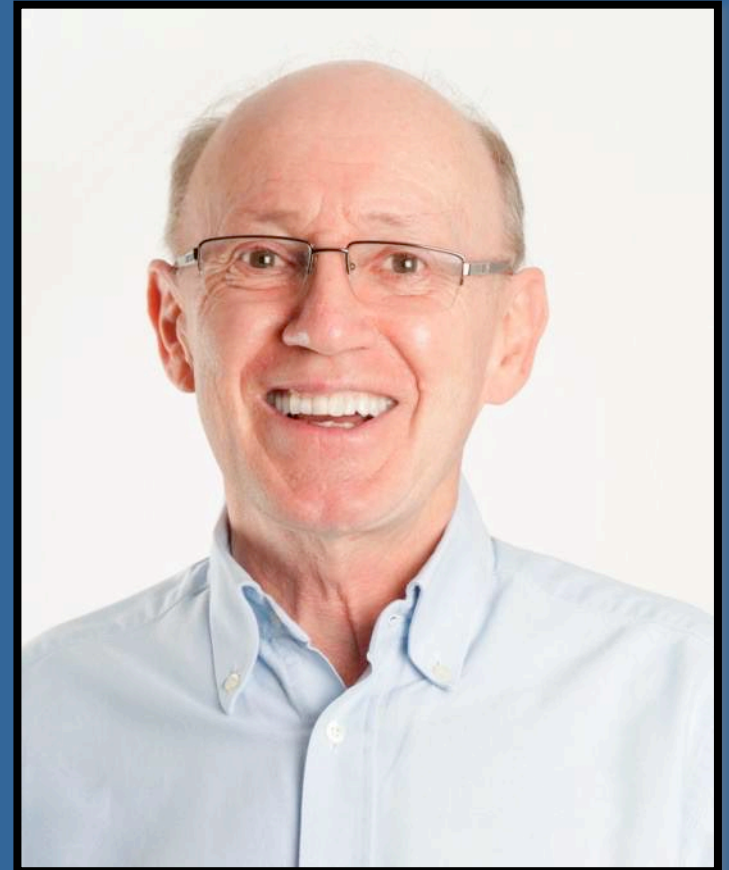
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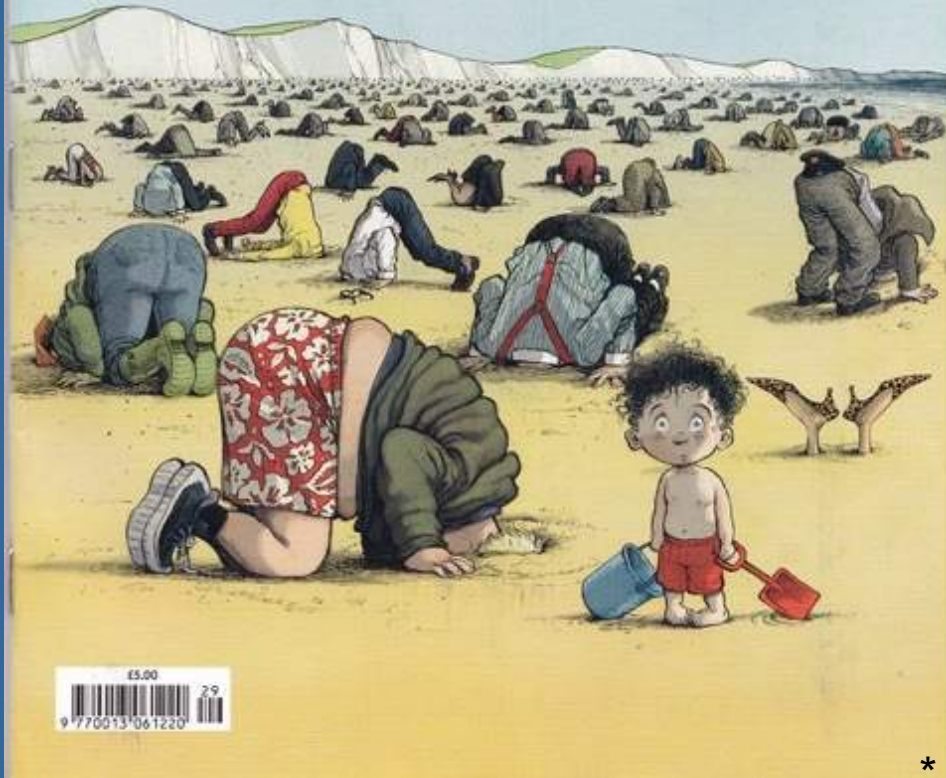


@ProfDavidHughes

Retail Blog: www.supermarketsinyourpocket.com



Facing up to Brexit



The
Economist



BREXIT:

A National Act
of “*Plebiscide*”!

Definition of *Plebiscite*:

The direct vote of all the members of an electorate on an important public question/issue [and one in which most are unaware of actual consequences – ed.]

* Source: Front cover of The Economist, July 21st, 2017