

Trends in Food, Beverage & Consumer Insights in China 2016

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2016, Top 10 Trends



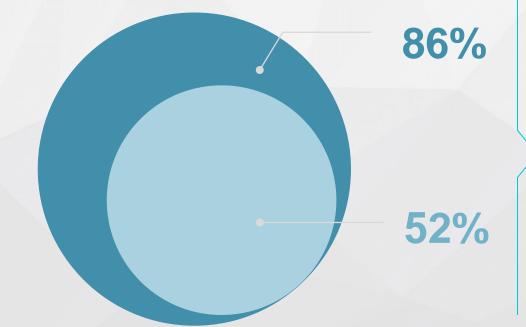






Food Safety

Food safety is most considered when consumers buy food



86% of the consumers consider food safety when buying food

52% of the consumers say they would give top consideration to food safety when buying food

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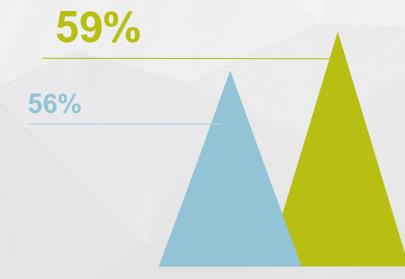
Food safety incidents significantly reduce consumer confidence in

2015

2016

the brand

Changes in confidence of the category when certain brand is found with safety incidents



Changes in confidence of the brand that is found with safety incidents

81%



The vast majority of consumers are against food additives

25%



(88%) of

consumers from 1st and 2nd-tier cities are against food additives A quarter say they can accept foods of higher prices and without any food additives





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Food Health

Consumers show higher concerns about food health



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A considerable number of consumers are sensitive to their body weight and concern themselves with food calories

53% of the consumers are very sensitive to their body weight

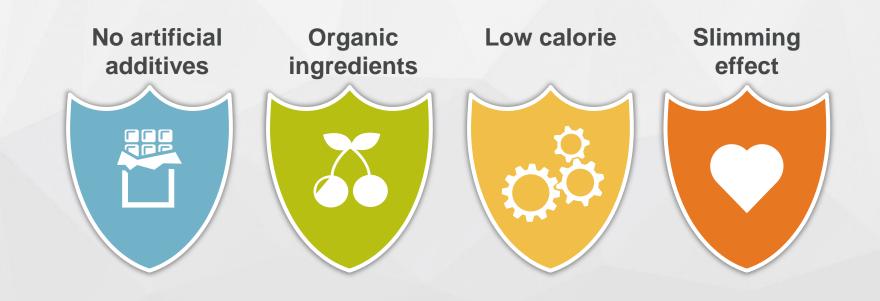
47% of the consumers show concerns

about the calories of food they eat



Base=Consumers from 1st and 9

Huge potential of food health segments







Green/Organic Food

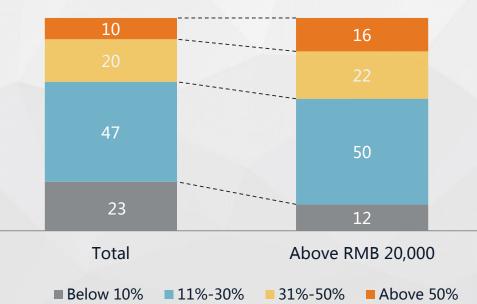
Over 30% of 1st and 2nd-tier-city consumers often buy green/organic foods

81% below RMB 7,000 93% have kid (s) 93% RMB 7,000-12,000 87% have no kids 95% Above RMB 20,000



High-income families are more willing to pay higher prices for green/organic food

Amount of money willing to spend on green/organic foods





Counterfeit products are major consumption impediments of green/organic foods



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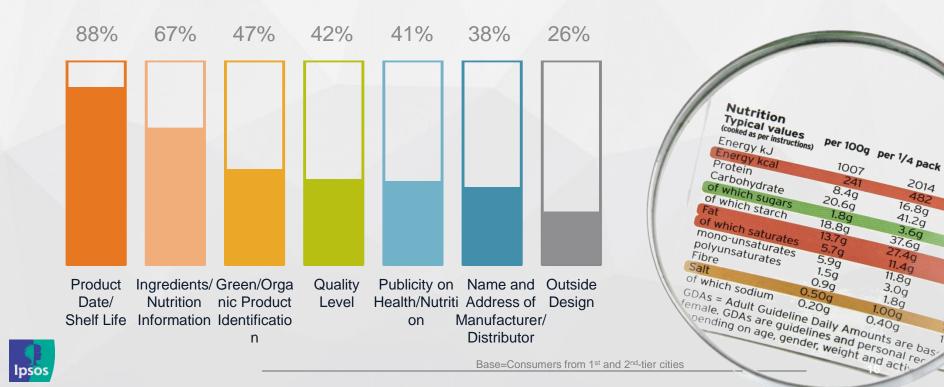
Base=Consumers from 1st and 2nd-tier cities that do not or seldom buy green/organic foods



Package

60

A considerable number of consumers generally concern themselves with food package

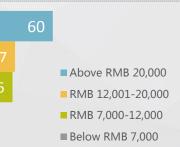


List of Ingredients, Green/Organic Identification and Quality Level are focuses of concern

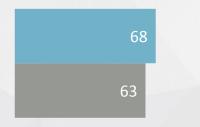
Food package information concerned By monthly family income

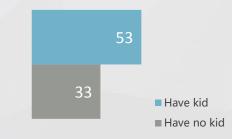


Green/Organic Product Identification



Food package information concerned By having kids or not







"Mini-package", tasteful, healthier, and more environment friendly













Globalisation

Most Chinese consumers consider food globalization a good thing

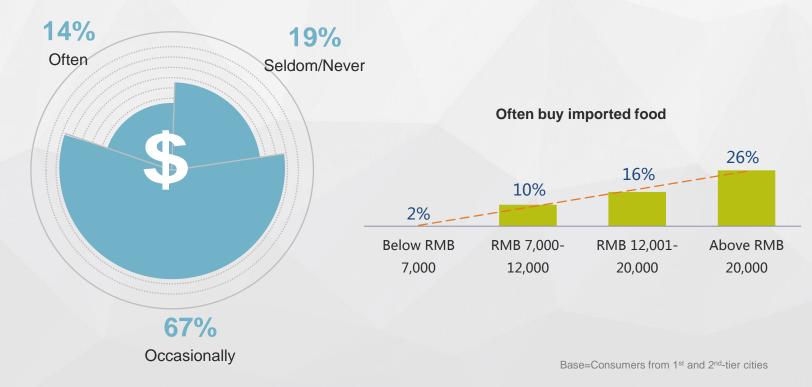
-3		
China	81%	12%
India	71%	23%
Brazil	68%	22%
South Africa	66%	23%
Sweden	62%	23%
Korea	60%	34%
Argentina	56%	28%
Japan	55%	27%
Total	50%	34%
Turkey	50%	40%
Canada	47%	34%
Australia	45%	35%
Germany	43%	44%
Poland	39%	39%
Spain	38%	41%
The United States	37%	38%
Italy	36%	49%
Belgium	31%	49%
Russia	27%	41%
France	24%	65%



Do not agree

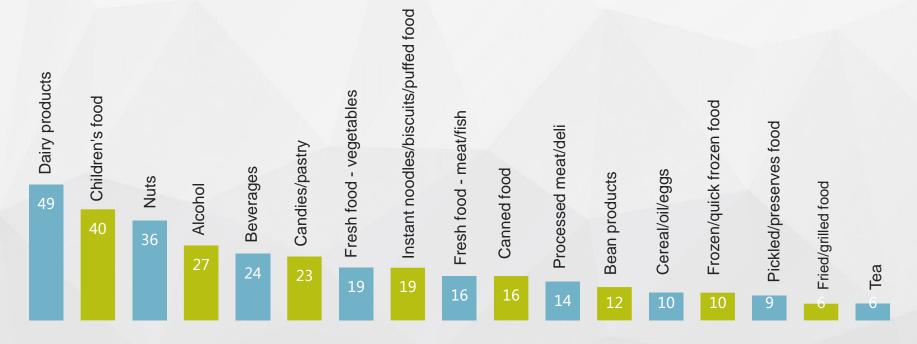
Agree

Over eighty percent of consumers often buy imported food





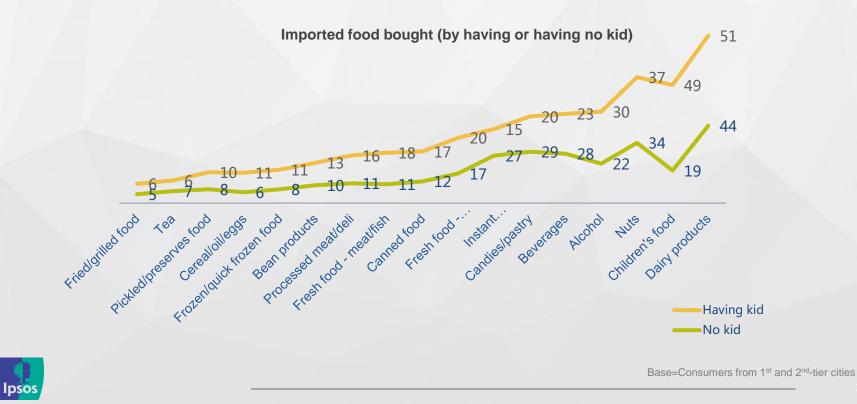
Major types of imported foods bought by consumers



Base=Consumers from 1st and 2nd-tier cities



Preferences of imported food vary with different consumer groups



Preferences for imported food vary with family income

Imported food bought (by monthly family income)





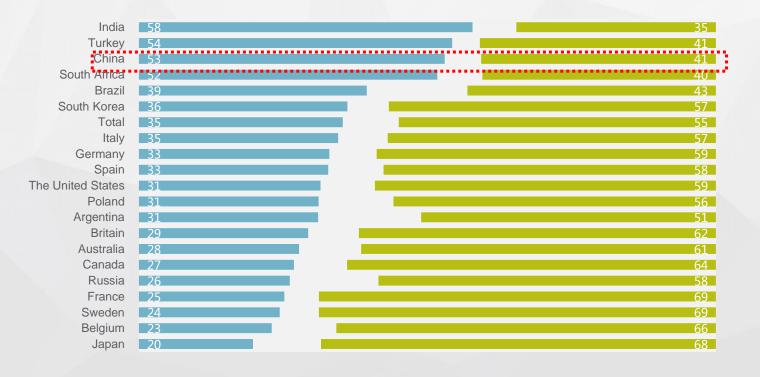
Innovation

21

and have

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Chinese consumers are more open to try new foods



() Ipsos Do not agree

Agree

Brand food innovation and breakthrough

Innovation of traditional foods









New Channel

Rapid development of food's e-commerce channels



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Source: "China Fresh Food E-Commerce Research Report"

Eighty percent of consumers from 1st and 2nd-tier cities buy foods/beverages online

82% of consumers from 1st and 2nd-tier cities buy foods/beverages online

Base=Consumers from 1st and 2nd-tier cities



30

Promotion of e-commerce channels further stimulate local special purchases for the Spring Festival



Energy Supplement

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The popularity of running and fitness sports stimulate the demand for functional drinks

34% Of consumers from first and second-tier cities say they run quite a lot

51%-

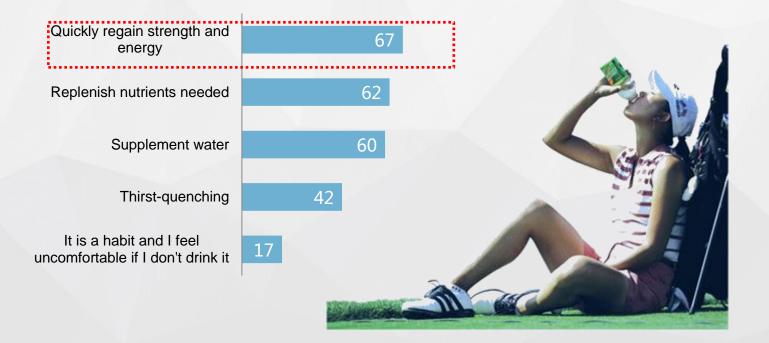
Of consumers from first and second-tier cities say they drink functional drinks whenever/when they run



Base=Consumers from 1st and 2nd-tier cities



Reasons to drink sports functional drinks

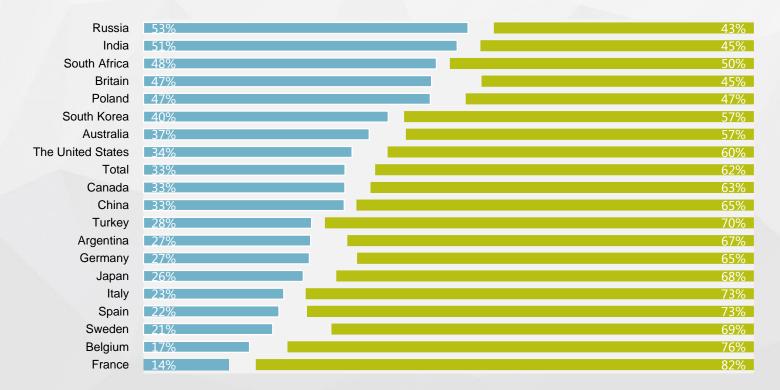


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Snacking

Snacking has become a way of life





Flavor snacks has gradually become a popular afternoon snack and meal replacement food

Consumption of snacks in the United States was up from 47% 2010 to 2014

2010



2014

Customisation

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More than anytime before do consumers expect to have foods as a self-expression

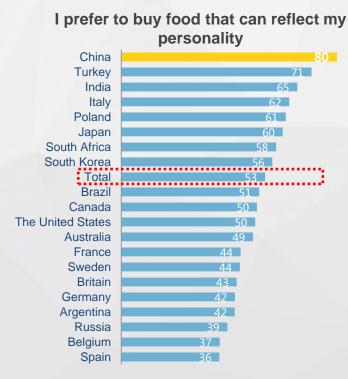
China	700/	 	 23%
	72%	 	
India	63%		31%
Turkey	55%		42%
South Korea	53%		43%
South Africa	47%		50%
Brazil	41%		49%
Total	40%		53%
Sweden	38%		57%
Australia	38%		57%
France	37%		60%
The United States	36%		56%
Russia	35%		55%
Japan	33%		55%
Poland	33%		56%
Germany	32%		61%
Canada	29%		64%
Spain	28%		64%
Argentina	27%		63%
Belgium	26%		67%
Italy	17%		77%



Agree

Do not agree

Chinese consumers prefer customized food brands



I am willing to pay more for food brand image that attracts me





Move consumers with customized brand image





hocomize

1.) Pick your chocolate shape

Choose your chocolate base

3.) Add your toppings



Pepsi Emoji theme expression package







THANK YOU!



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