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# THE DEMAND FOR DAIRY REMAINS STRONG DESPITE EPIDEMIC. SOME CONSUMERS EVEN SPEND MORE ON DAIRY.

Changes of consumption among categories % ( spend more% - spend less% )

# When staying home becomes a must...

( Daily necessary food/fresh food/instant food ) **In-home food** 

(Online education/entertainment/health services) Online service

( Milk/packaged beverage/alcohol ) Dairy/beverage

-17

Medicine & health care



76%

of consumers reduce the frequency of going out





Sport/clothing

19



38

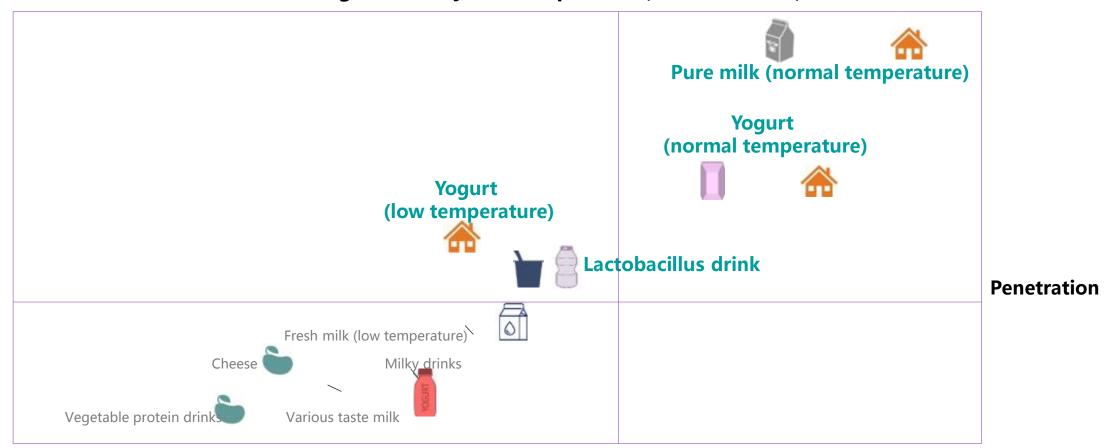
Spend

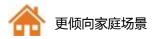
more

36

# BOTH PURE MILK AND YOGURT IN NORMAL TEMPERATURE ARE STILL POPULAR WITH IN-HOME CONSUMERS. MILK IN LOW TEMPERATURE (YOGURT/LACTOBACILLUS DRINKS) SHOWS OPPORTUNITY TO BOOST SALES.

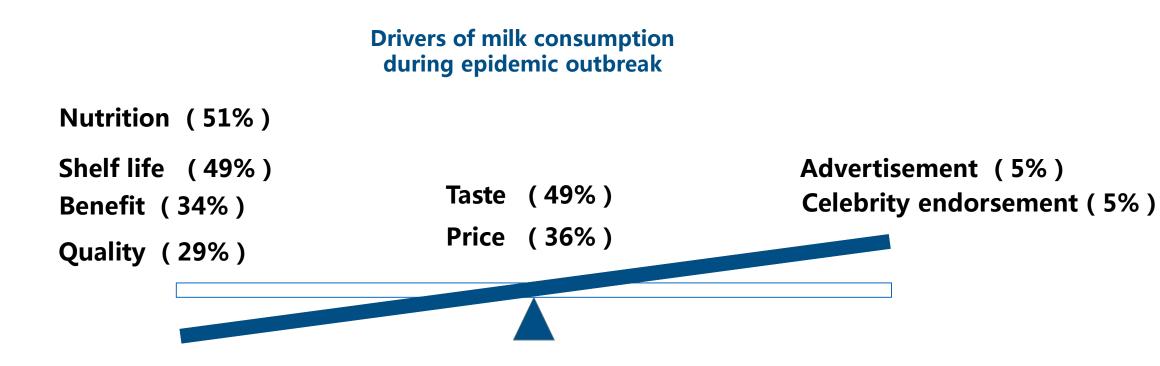
Changes of diary consumption ( spend more % - spend less % )







# MORE FOCUS ON VALUE: NUTRITION, BENEFIT AND QUALITY ARE PAID MORE ATTENTION, MEANWHILE TASTE IS STILL IN HIGH DEMAND.



Pay more attention

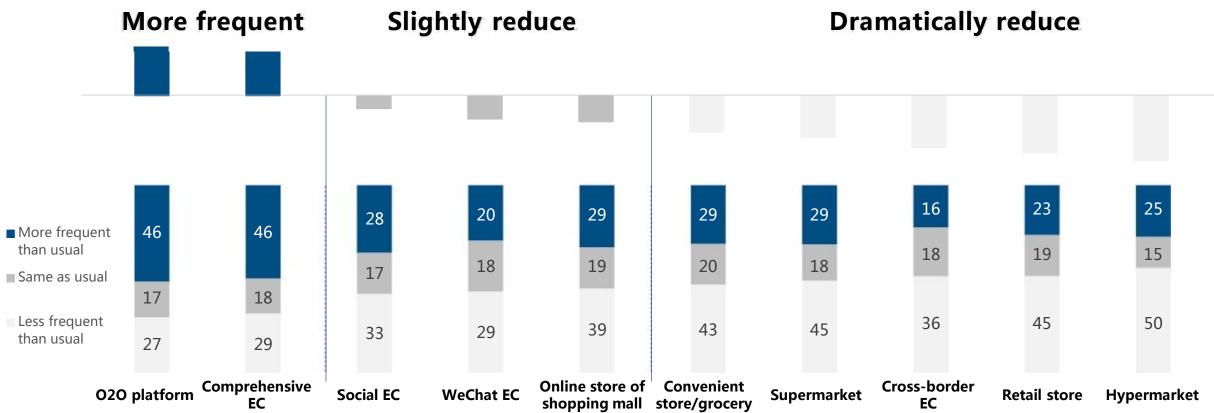
Same as usual

Pay less attention



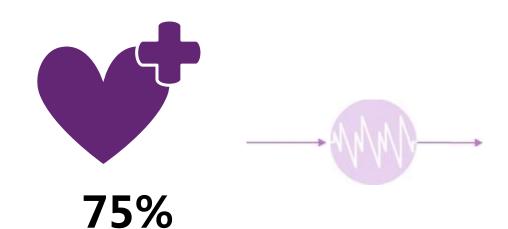
# CHANNEL PERFORMANCES ARE DIVERSIFIED. ONLINE CHANNEL, ESPECIALLY OTO PLATFORM IS BOOMING.

Changes of usage frequency among different channels (more % - less %)





# WITH STRONGER HEALTH AWARENESS, OPPORTUNITY LOOMS TO DAIRY SALES.



of consumers claim "more care about health"





#### 8 OPPORTUNITIES FOR DAIRY GROWTH AFTER THE EPIDEMIC.

**More People** 

More frequent
More occasion

More volume

More brand

**Category Penetration** 



**Higher frequency** 



**Purchase more** 



**Brand Penatration** 















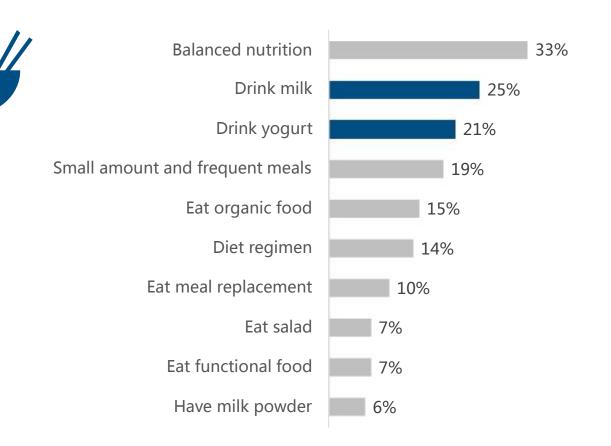






## DAIRY IS A CORE COMPONENT OF HEALTHY NUTRITIVE DIET TO IMPROVE HEALTH.

Improve health via healthy diet and balanced nutrition in the future



43% Will spend more on dairy





# FAMILIES WITH QUALITY LIFE FOCUS MORE ON BALANCED NUTRITION.



Core goal: focus on family with quality of life



Married with children



36-45 years old

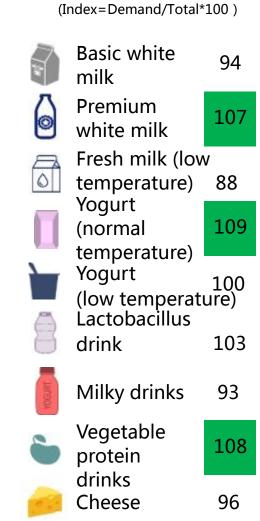


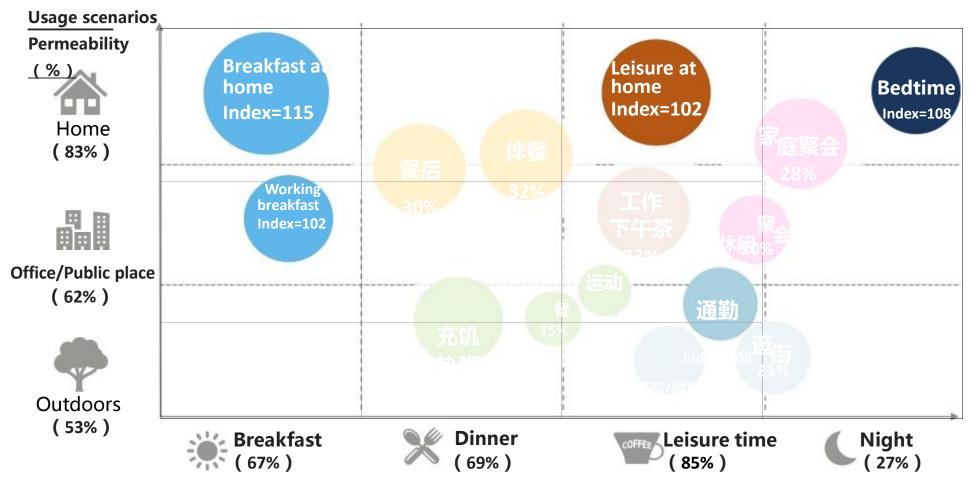
Average monthly household income ( More than 20000RMB )





# BREAKFAST/NIGHT ARE CORE OCCASIONS FOR SEEKING BALANCED NUTRITION, WHILE LEISURE/OUTDOORS Category relevance REMAIN TO BE EXPANDED. Cindex=Demand/Total\*100)







#### CASE INTERPRETATION

### **Professional nutrition** and dietary guidance



Mengniu has established a nutrition research institute to provide consumers with professional nutrition and dietary guidance, gradually educate consumers on how to use dairy products to achieve balanced 12 nutrition, and establish a professional image.

### Deliver nutritional value of dairy



Mengniu timely responded to the national call, issued the "Drinking milk every day keeps Chinese healthy" initiative, thoroughly and effectively implement the "new coronavirus infected pneumonia prevention and control nutrition diet guidance" issued by the National Health Commission.

#### **Nutrition collocation**



Ambrosial nutrition station, paired with nuts and oats, provides consumers with nutritional dietary recommendations, which can be applied to a variety of scenarios, and further enhance the nutritional impression of the product.





# ENHANCE ATTENTION TO INTESTINAL IMMUNITY, WHICH IS HIGHLY CONSISTENT WITH FUNCTIONAL NEED OF DAIRY.

52%

Look for foods that can improve health/immunity

70%
Of human immune cells come from the gut.

-Baidu Zhidao



Top 10 functional needs of dairy





## YOUNG GENERATION AND THOSE FAMILIES WITH KIDS CARE MORE ABOUT IMMUNITY.

### The youth focus on active bacteria



Single Married



Under 30 years old



115

Average monthly household income ( More than 10000RMB )

### Families with kids look for balanced intestinal flora



Married with children



31-45 years old



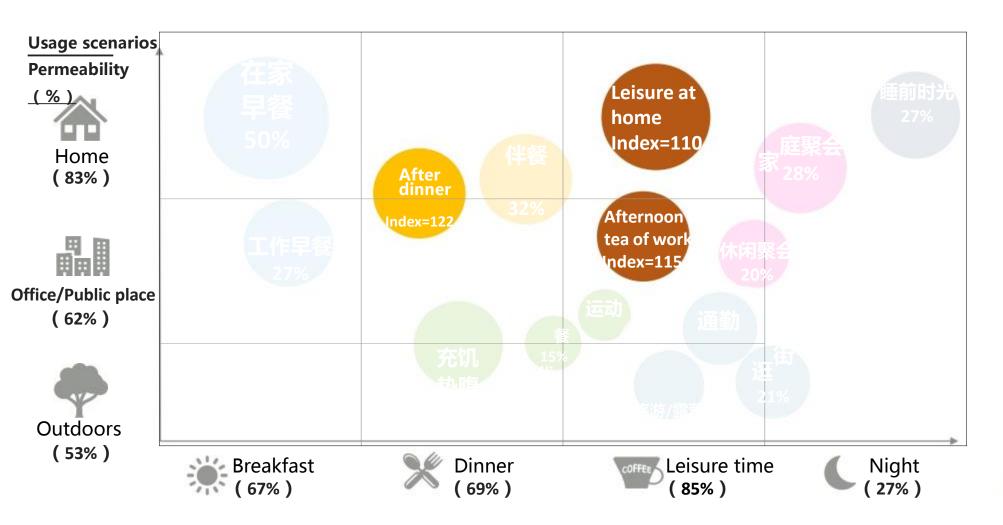
Average monthly household income ( More than 10000RMB )

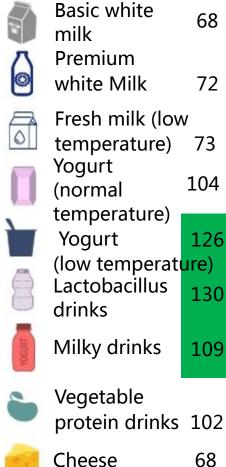




# STRONG DEMAND OF IMMUNITY IN POST-MEAL SCENARIO AND LEISURE IS GRADUALLY EXPANDED. Category relev

Category relevance
(Index=Demand/Total\*100)







#### CASE INTERPRETATION

### **Enhance the functional feature of dairy**



Guanyi milk is rich in Bifidobacterium lactis (BB-12), which is widely recognized at home and abroad to improve intestinal health and enhance immunity,, and Guanyi milk is the only yogurt product certified by the national "health food" at present.

### Contain beneficial active bacteria



Each bottle of Youyi C LC-37 contains
50 billion active lactobacillus paracei
(LC-37), which can resist the
destruction of gastric acid and bile,
ensure a sufficient number of live
bacteria to reach the intestinal tract,
and still show strong activity under
the temperature of human body at 37
sleep.



Yakult Japan recently launched the "upgraded" Yakult product, claiming that each bottle contains at least 10 billion special active lactobacillus, which can not only improve the intestinal environment, but also relieve stress and help to sleep.



# STAYING AT HOME TO LEARN COOKING/BAKING BECOMES A NEW POTENTIAL SCENARIO.



44% Try to cook

#### Hot topics about cooking





#### MID-AGE HOUSEHOLD WOMEN ARE MORE LIKELY TO COOK/BAKE.



Characteristics of the population: 41-50 middle aged women, married with children

#### **Category relevance**

(Index=Demand/Total\*100)





Data source : IPSOS Innovation Trend of Dairy Y2019

#### "DRINK" TO "EAT"

### TikTok: popular videos of baking with dairy products



图片来源:抖音视频

### Food WeChat Account: dairy as the core ingredient of desserts





4、在押好的草箱燕麦酸奶中、放入冻草莓片、蓝莓和少许大杏仁;在拌好的黄桃燕麦酸奶中。放入黄桃 块和少许开心果(将水果和坚果轻压。使其半埋入酸奶中)。

图片来源: "日食记" 微信公众号





# LEISURE SNACKS IS THE BEST PARTNER FOR KILLING TIME AT HOME AND DAIRY PRODUCTS GRAB MARKET SHARE WITH HEALTH CONCEPT.



**90%** of consumers bought snacks during the epidemic



**50%** of consumers said they bought more snacks during the epidemic



People who bought more snacks during the epidemic







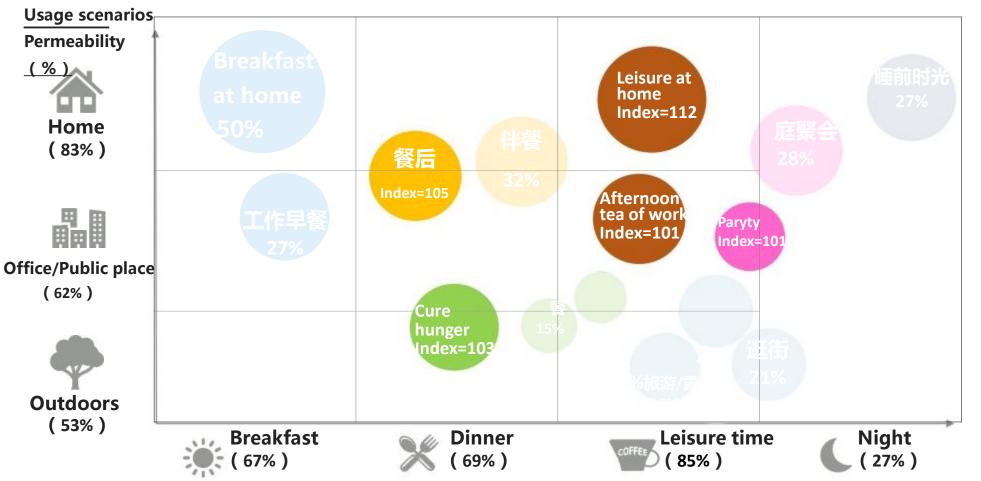
**Dairy users** 



#### DAIRY SNACKS CAN EXTEND MORE USAGE SCENARIOS.

#### **Category relevance**

(Index=Demand/Total\*100)



Basic white milk	89
Premium white milk	101
Fresh milk (low temperature)	79
Yogurt (normal tempe	100 rature
Yogurt (low temperatu	106 ire)
Lactobacillus drinks	110
Milky drinks	106
Vegetable protein drinks	118
Cheese	87



#### CASE INTERPRETATION

#### **Mike Tablets**



The Maxigenes blueberry milk tablet is made from natural Australian milk. It has a strong milk flavor and specially added with blueberry extract. It has a good taste and anthocyanin, which helps to maintain eye health.

#### **Yogurt Block**



Yili Yi Xiaosheng Lactobacillus freeze-dried yoghourt block adopts FD vacuum freeze-drying technology to retain nutrients. A box of yoghourt block contains 40 million active probiotics and has three flavors of original / yellow peach / blueberry, good taste and nutritious.





## MORE EXERCISE IS THE SECOND IMPORTANT MEASURE TO IMPROVE HEALTH.

65% of the second of the secon

Regular work and rest

**Sporting** 

**Less sedentary** 

Walking



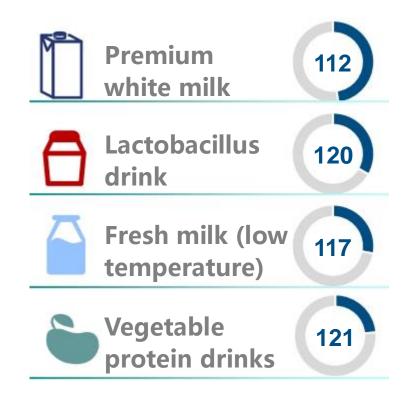
# THE POST 90S ELITES ARE TAKING MORE EXERCISE TO MANAGE THEIR BODY AND STAY FIT.



Characteristics of the population: post-90s, elites and more managers

#### **Category relevance**

(Index=Demand/Total\*100)





#### CASE INTERPRETATION

### Less calorie but satiety



Mengniu "half meal life", advocating the concept of reducing calories, dietary fiber curing hunger, with a sense of fullness.

### High protein supplement



YO Keep yoghurt is the first body management yogurt in China. The protein content is three times of the national standard, which perfectly combines the advantages of high protein and low calorie of cheese and yogurt.

#### **Light enjoyment**



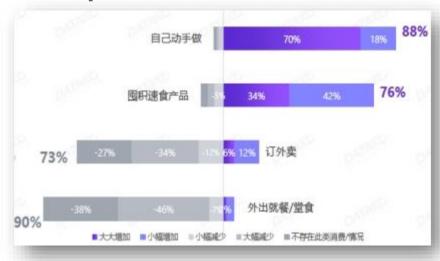
Bright Dairy launched "original low fat and reduced sucrose " normal temperature yoghurt. This yoghurt reduces sugar and fat. It claims that there are only 66kcal in every 100g. It focuses on the concept of light body, delicious and appetizing.



# RAISING STOCKPILE AWARENESS AND STOCK-UP BUYING DRIVES FCL/MULTI-PACK SALES, MEANWHILE PUT FORWARD HIGHER REQUIREMENTS FOR SHELF LIFE.

40%

increase dairy purchases during the epidemic







#### CASE INTERPRETATION

### Fresh milk with a shelf life of up to 19 days





Yuexianhuo adopts the innovative INFO.09 second ultra-instantaneous sterilization technology and low temperature aseptic filling technology to retain more natural active proteins in milk, so that fresh milk can be sterilized in a shorter time, thus achieving a longer shelf life of up to 19 days.

## 15 days warranty guarantee high quality



Shiny Meadow adopts the original fresh locking technology to lock in more nutrients of fresh milk. The shelf life reaches 15 days while guarantees high quality.





#### DURING THE EPIDEMIC, 020 PLATFORM GREW EXPLOSIVELY.

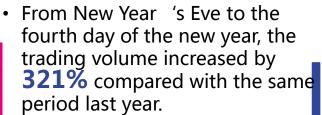
### O2O: take fully advantage of home services



- Shanghai: 500000 packaged vegetables and 80 tons of bulk vegetables are put on the shelves in a single day
- Beijing: The supply of vegetables is **three times** as usual.



- orders on New Year's Eve increased by more than 300% over the same period last year
- unit price increased by about 70%





 The unit price of customers increased by about 30 yuan, up to 120 yuan Offline supermarket: rely on delivery platform to provide consumers with daily necessities



**JD home**: From New Year's Eve to the ninth day of the lunar new year, the turnover was +374% year to year, including:

- Grain, oil and non-staple food: +736.40% year to year
- Meat: +**711.11**% year to year
- Snacks: + **527.16**% year to year
- Vegetable : + **441.1**% year to year
- Fruit: + **378.8**% year to year

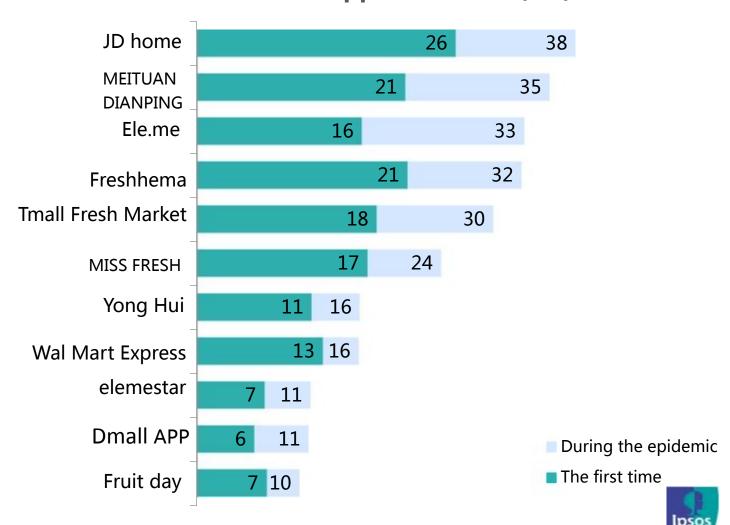


# USING HABITS AND NEW USERS INCREMENT ARE THE TWO BONUS THAT 020 PLATFORM CAN GRASP FROM THIS SPECIAL PERIOD.



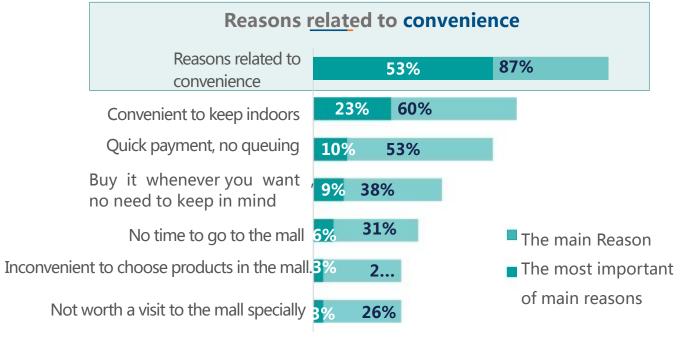
Purchase food on O2O platform more frequently

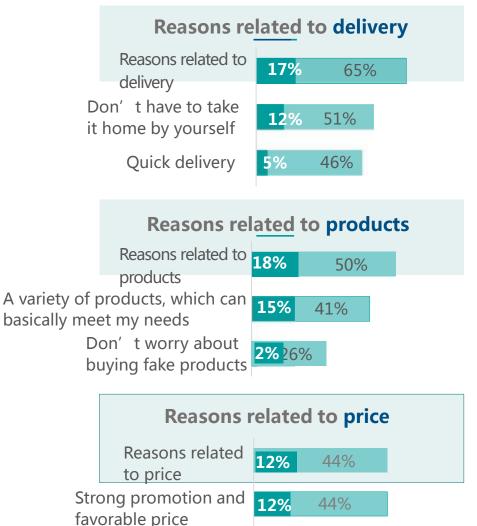
#### Platform/Apps ever used (%)



## CONVENIENCE IS THE CORE MOTIVATION OF FMCG HOME DELIVERY SERVICE.









Data source: IPSOS&SmartGo FMCG Home Delivery Service White Book

# HIGH-INCOME MEN ARE MORE LIKELY TO USE 020 APPS, AND DAIRY IS ONE OF THE TOP 3 CATEGORIES TO BE PURCHASED IN THIS CHANNEL.



Characteristics of the population: 35-45 years old, male, tier-1 city, high income

### THE TOP 3 CATEGORIES TO BE PURCHASED IN O2O APPS







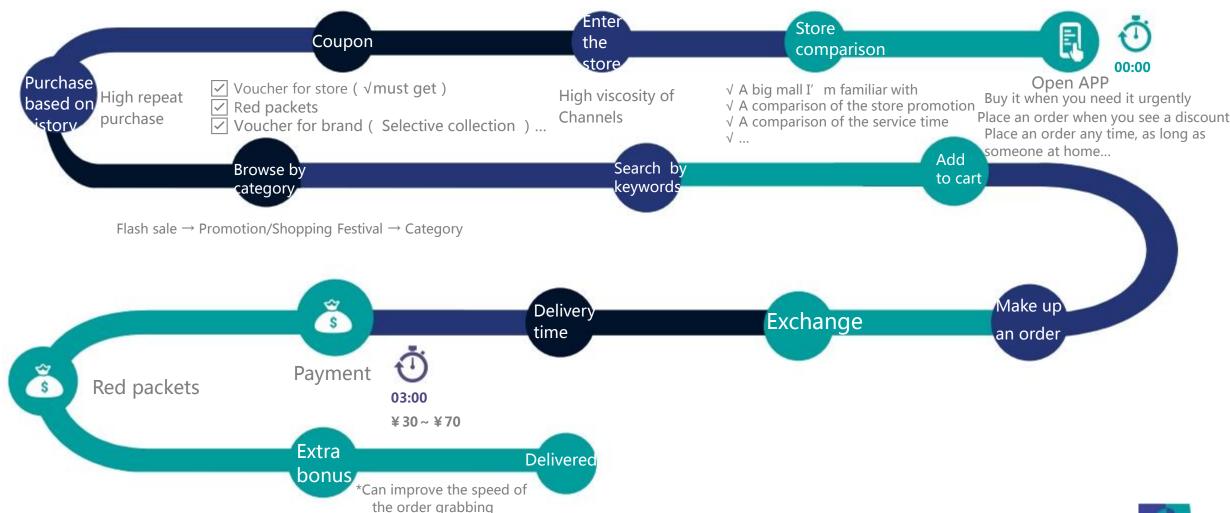
41% BEVERAGE



40%
MILK
& YUGURT



# FMCG HOME DELIVERY SERVICE HIGH-FREQUENCY USER SHOPPING PATH: ONE-STOP SHOPPING, FAST PURCHASE DECISION PROCESS.





## PLAY EARLY ROLE 020 CHANNELS AND OPTIMIZE THE PROPORTION OF ONLINE AND OFFLINE SALES CHANNELS OF DAIRY.

### Mega Brand : Marketing on O2O Platform





图片来源:蒙牛/美菜官方微博

Mengniu united Meicai O2O platform: propose to drink milk everyday, balance nutrition, ensure milk supply and distribution of the platform during the epidemic, and establish a more healthy and active brand image.

### Niche brand : Community marketing via WeChat





图片来源: "新乳业" 微信公众号

Holy-Lake dairy attracts users to join the membership via wechat and often launches member promotion activities such as flash sale and group purchase to improve user viscosity.

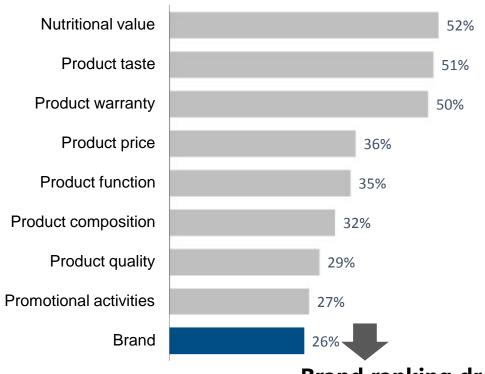


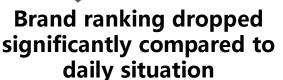
# OPPORTUNITY OPEN BRAND ATTITUDE PROVIDES A SHORTCUT FOR EMERGING BRANDS



# DURING THE EPIDEMIC, CONSUMERS HOLD A MORE OPEN ATTITUDE TOWARDS BRANDS. SMALL TOWN YOUTH ARE POTENTIAL INCREMENTAL USERS.

#### Dairy purchasing drivers during epidemic







People who think less about the brand during the epidemic:





# EMERGING BRANDS LEVERAGE PLATFORM ADVANTAGES TO STRENGTHEN KEY SELLING POINTS, SEIZE OPPORTUNITY TO OVERTAKE ON CURVE.

46 %

Consumers said that the frequency of using FMCG home delivery service was higher than before during the epidemic.





- From New Year 's Eve to the fourth day of the new year, the trading volume increased by 321% year to year
- The unit price increased by about 30 yuan, up to 120 yuan

#### **WENSDI YOGURT**



• Ranked high in sales, with sales of 10000+ pieces in the past month



### For the full report Please contact us



