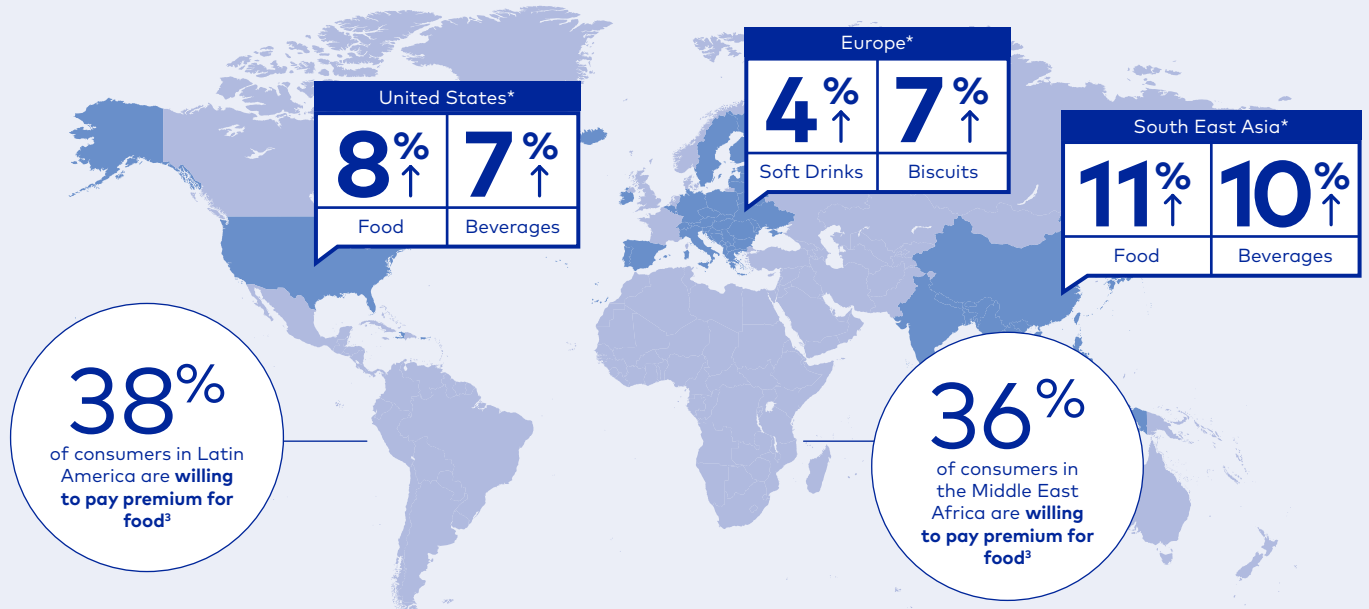


## FAST FACTS

# The rise of premiumisation in food & beverages

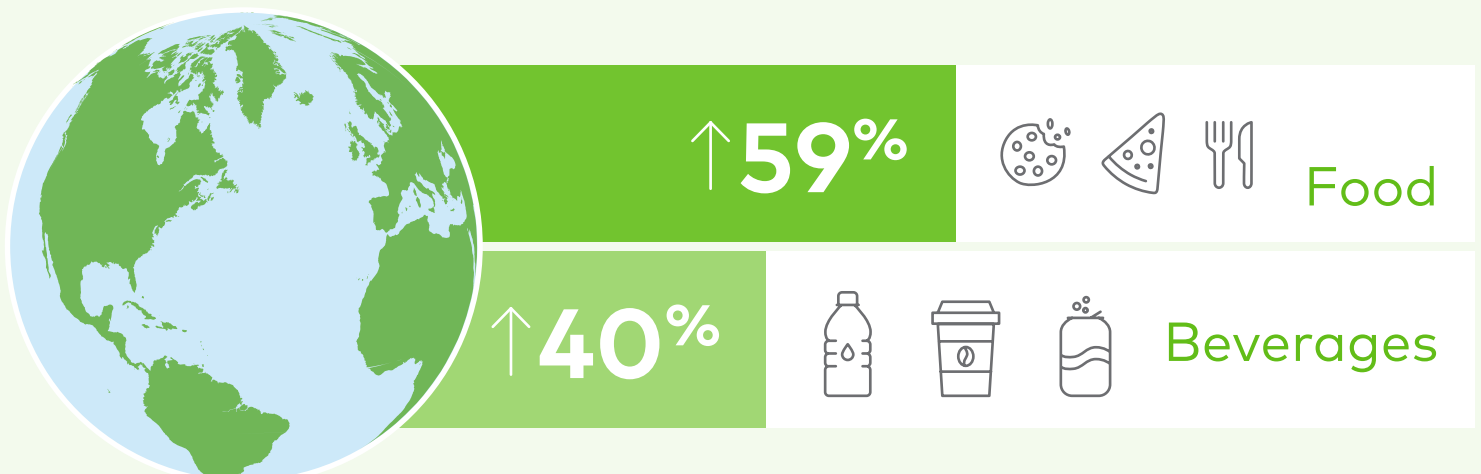
Consumers are increasingly looking for a taste of the high life with more and more brands seeking to 'premiumise' their offerings. While premiumisation isn't new, it's now being embraced by a far greater audience beyond the wealthy. Premiumisation today is bridging the gap between luxury and mass market to give all consumers access to unique, innovative products that promise to deliver more.

## Premium is a growing segment...



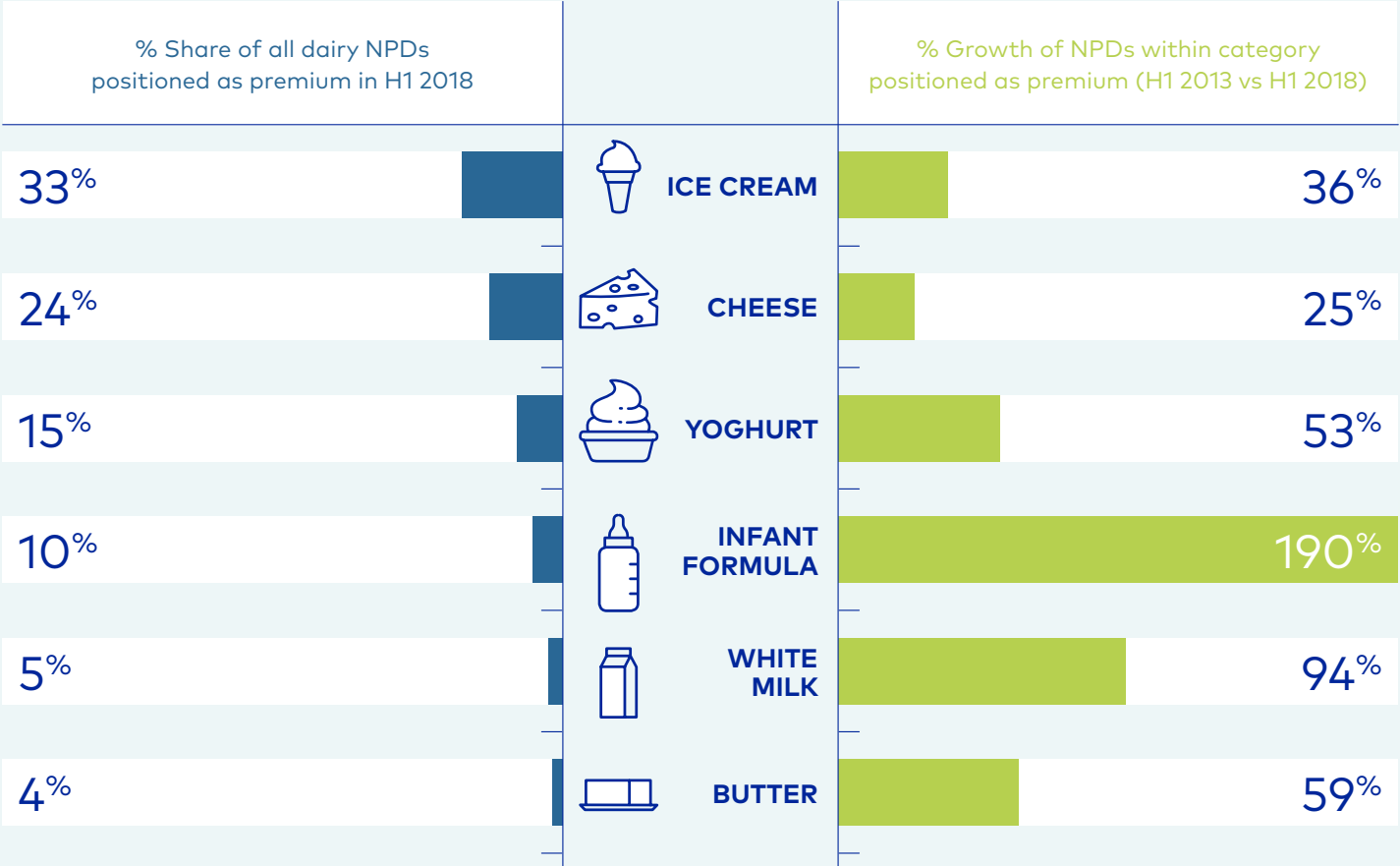
\*Based on the premium sales growth<sup>3</sup>

## Strong increase in premium positioning of NPDS globally



\*Based on the Dairy Number of NPDs launches positioned as premium in H1 2013 vs H1 2018<sup>1</sup>

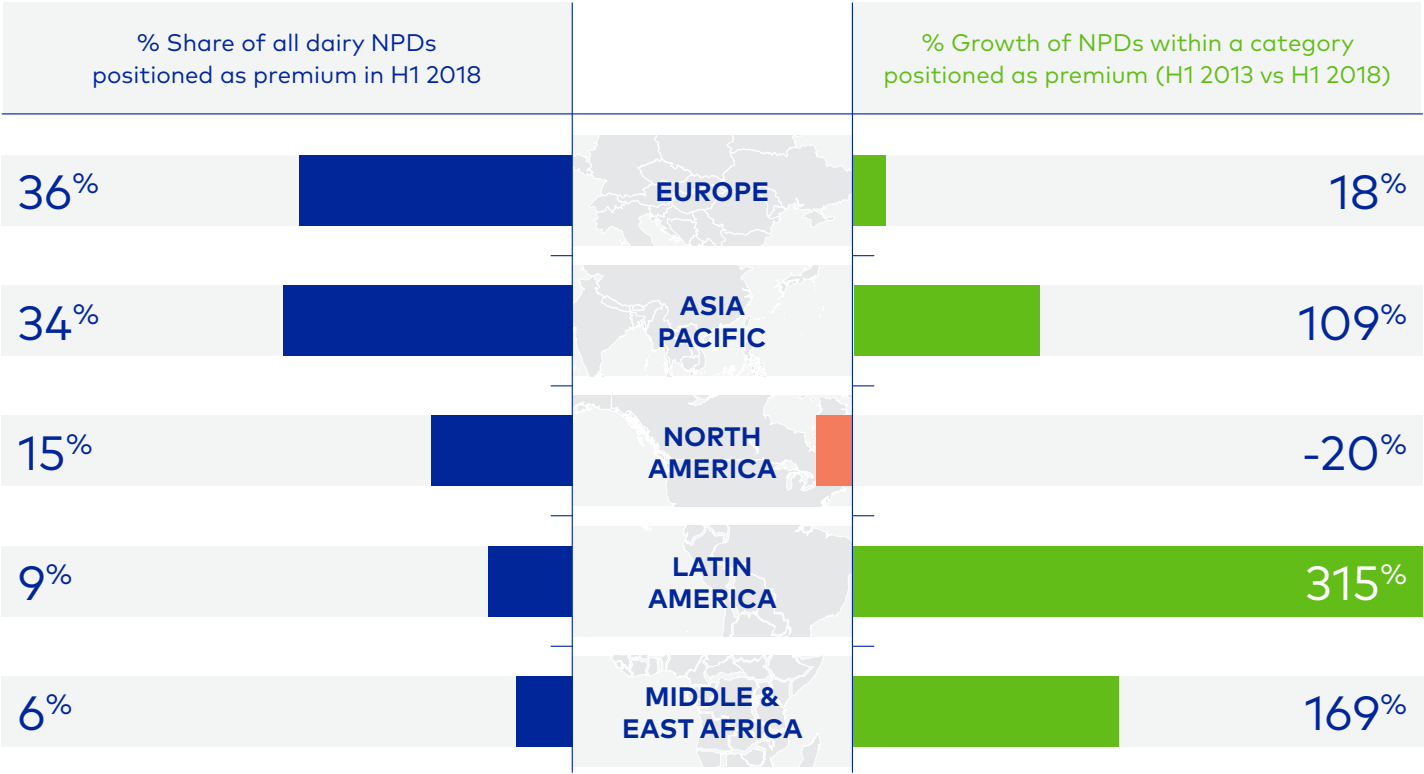
# Dairy is benefitting from the premiumisation trend



\*Based on the Number of NPDs launches featuring premium claims in H1 2013 vs H1 2018\*

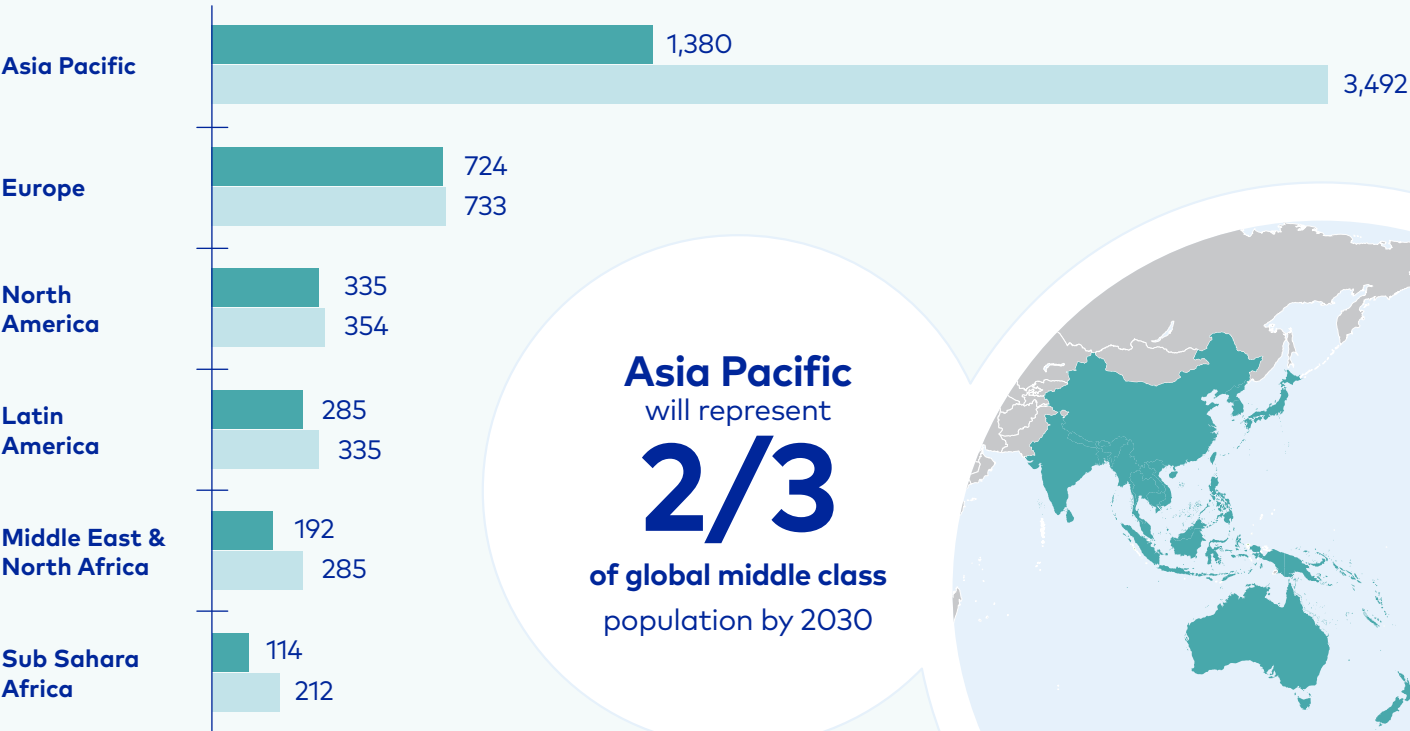


# Who's driving premium in dairy?



\*Based on the Number of NPDs launches featuring premium claims in H1 2013 vs H1 2018¹

## There is a growing middle class in emerging countries



\*Numbers in millions²

# As middle class grows in emerging countries, consumers...



**Are willing to  
spend more**



**Want better,  
not more**



**Seek new  
experiences  
and offerings**

**51%**

of consumers in  
Latin America  
find **new products**  
exciting<sup>5</sup>

**63%**

of consumers in Asia are willing  
to pay premium for products  
that are from a **location known**  
for superior quality<sup>3</sup>

**51%**

of consumers in the  
Middle East Africa  
**always look for**  
premium foods<sup>4</sup>

**54%**

of consumers in China  
considered a **premium**  
product those made **using**  
high quality ingredients<sup>3</sup>

## Opportunities

Manufacturers can capitalise on **consumers' growing desire to trade up** from mass-market products to more premium choices by creating highly differentiated offerings that deliver on expectations and offer something unique.

**Premiumisation itself isn't new but what has changed is the motivation that drives consumers to buy premium offerings.** While still a strong driver, expressing wealth and affluence is no longer the only key driver. A growing demand for quality that makes consumers feel that the products they buy are helping them to be better versions of themselves - healthier, more unique, more efficient, more practical - is playing a strong role in driving demand. It is also increasingly about a consumer expressing what truly matters and therefore worth paying more for.

It is key therefore that products wanting to play in the premium segment clearly articulate these benefits and have **a deep understanding of their target consumers' prioritised needs.**

For the Dairy industry, the opportunity lies with being able to **communicate traditionally associated nutritional benefits to ones that are linked to consumers' lifestyle aspirations.** There will also be opportunities in emphasising product quality through that brings it out of the everyday into **added value experiences through food and beverages.**

And as the middle class expands in Asia, LatAm and MEA, the opportunities for **premiumisation will continue to grow and evolve to accommodate cultural nuances and differences in consumer attitudes,** values and priorities in these emerging markets.

### Sources:

1. Mintel, GNPD, 2018
2. Brookings, The unprecedented expansion of the global middle class, 2017
3. Nielsen, Moving Up report, 2016
4. Global Data, Global consumer survey Q4, 2017
5. Global Data, Global consumer survey Q3, 2018

