Economy

Economic fundamentals for consumer spending appear to be solid going into 2017...

The labor market continues to strengthen

- Jobs: 181,000 on average added per month in 2016
- Disposable personal income: +3.4% year ending October
- Average hourly earnings: starting to accelerate

Enabling technology

3 ways enabling technologies can benefit CPG companies

- Perform faster
- Become granular
- Stay connected

7 opportunities for CPG companies to embrace the potential of enabling technologies

- Develop strategies by understanding the purchase journey
- Manage your customer relationships
- Explore the potential of local media marketing
- Engage with customers through artificial intelligence (AI)
- Optimize online marketing capabilities
- Adapt communication strategies to the digital world
- Explore methods to influence purchase

Platforms

Create platforms specific to CP that...

- Help resources and participants become accessible
- Become catalysts for participants
- Are closely linked to enabling technologies

Consumer mindset

Consumer trends influencing CPG companies

Disrupting the consumer food value chain is an evolving set of drivers

- Health and wellness
- Safety
- Social impact
- Experience
- Transparency

Consumer immersion in the digital world:

All age groups join the ranks of digital users.

- Baby Boomers: 17%
- Gen X: 22%
- Millennials: 30%
- Gen Z: 28%

Engage with influential consumer segments:

Hispanics

- (448 million people)
- 6.5% of US population
- 118 billion
- 2013
- 2050 (projected)
- 6.1% households
- 7.3% households
- 29%

Women

- 60% of the total amount spent on shopping across different store types
- 8.4%—73% of annual household spending, of approximately $11.2 trillion

By 2025, prepare for a shift to a global marketplace that’s heavily influenced by Asia Pacific.

- $36b online sales projection growth:
  - 4.6% of every dollar spent influenced by digital interaction
  - 7.5% online CPG sales growth
  - 8.4% digital ad spend growth

Economy

... However, the election cycle has created uncertainty

- Policies suggested could support consumer spending
- Others could have significant impacts on consumer spending

Enabling technology

CPG companies slow to adapt to digital

- Digital ad spend (2016 estimates)
  - 8.7% CPG
  - 21.9% Retail
  - 12.7% Auto
  - 12.2% Financial Services

Continuing shift towards online retailing

- Online CPG sales growth:
  - 6% to $8b

By 2025, prepare for a shift to a global marketplace that’s heavily influenced by Asia Pacific.

- Women: projected to have a higher disposable income

Middle class in Asia is projected to have a higher disposable income

7 of the top 10 global cities by population will be in Asia Pacific