

News Release

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CONSUMERS UNLIKELY TO BE INFLUENCED BY GROCERY STORES' ENVIRONMENTAL FRIENDLINESS BUT CONSUMERS WILLING TO TRADE CONVENIENCE FOR THE SAKE OF THE ENVIRONMENT

February 14, 2008, Auckland -- According to a global food packaging survey conducted by The Nielsen Company, a shop's environmental friendliness is the last consideration for consumers in determining where to spend their grocery dollars, while Good Value for Money ranks as the number-one influencer of store choice.

Conducted in mid 2007, the study surveyed 26,486 internet users in 47 markets¹ from Europe, Asia Pacific, the Americas and the Middle East, on the factors that influenced their choice of grocery store.

When determining where to shop for groceries Environmental Friendliness was the least important factor for consumers, compared with others such as price, product quality, convenience and location. While 28 percent of world consumers ranked environmentally-friendly stores using recycle bags/package as very or somewhat important when considering their grocery store choice, 85 percent considered *Good Value for Money* very/somewhat important in their choice of store.

"Despite apparent growing consumer demand for shops to be environmentally friendly in conducting their business, consumers don't necessarily make this a priority when choosing where to shop," commented Stephen Mitchell, Managing Director, The Nielsen Company. "It's

¹ **47 Markets Covered:** Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, China, Czech Republic, Denmark, Egypt, Estonia, Finland, France, Germany, Greece, Hong Kong, Hungary, India, Indonesia, Ireland, Italy, Japan, Latvia, Lithuania, Malaysia, Mexico, Netherlands, New Zealand, Norway, Philippines, Poland, Portugal, Russia, Thailand, Singapore, South Africa, South Korea, Spain, Sweden, Switzerland, Taiwan, Turkey, UAE, United Kingdom, US and Vietnam.

also interesting to see that of the 10 countries where consumers are most supportive of shops being environmental friendly, seven hailed from Asia Pacific.”

In Asia Pacific, China and India lead the region with 39 percent consumers in each market considering the environment when making their store choice, followed by 35 percent in the Philippines. In New Zealand, 21 percent considered the environment very or somewhat important. (Table 1)

Trading aspects of packaging for a better environment

Nielsen’s survey further gauged consumers’ attitudes towards environmental friendliness in their shopping decisions and what aspects of packaging they would be prepared to give up if it meant it would benefit the environment.

Globally, nearly half of the world’s consumers would be willing to give up *packaging in a shape that enables it to stack or store at home easier* (49%), *packaging that enables them to keep as a resealable container* (48%) and *packaging that means it’s easier to carry home* (47%) if it meant it would benefit the environment. At the other end of the scale, consumers are less willing to give up packaging that would affect the hygiene (27%) and condition (30%) of the products.

The preferences of consumers in Asia Pacific were generally in line with the global average. Specifically, New Zealanders and Australians lead the region with most people willing to give up the convenience of packaging for the purpose of easy storage and for easy to carrying home - if it would benefit the environment. (Table 2, 3)

Interestingly, environmentally-aware New Zealanders topped global rankings as the nation most prepared to give up all aspects of packaging for the sake of the environment. This may in large part be due to high levels of ‘eco-consciousness’, including in-store reminders and recyclable bag merchandising by supermarkets, and weekly recyclable rubbish collection instituted by local authorities in most cities.

“Cultural attitudes towards food and shopping habits are a big influencer of packaging preferences and we see a distinct contrast between East and West attitudes,” observed Mitchell. “Asian shoppers also placed less priority on packaging that preserves food – perhaps because they shop frequently and don’t tend to buy products requiring a long shelf life.”

According to Nielsen ShopperTrends, Asian consumers place a high priority on fresh food – 90 percent of urban Asian shoppers go to *Wet Markets* to buy their main Fresh Food and shop as often as 10 times a month at traditional grocery stores. In contrast European shoppers visit the supermarket/hypermarket/discounters on average only six to eight times a month.

While packaging that would affect the hygiene and condition of products are the least willing-to-give up options for consumers, people in Vietnam are desperate enough to lead the pack with half of consumers willing to give up these aspects of the packaging in return for a better environment. People in Taiwan and Hong Kong are the least willing in the region to give up packaging for the hygiene of products despite benefits to the environment. (Table 5)

At the other end of the scale, Thai consumers (27%) topped global rankings as the nation least likely to give up any aspect of packaging for the sake of the environment, followed by 16 percent of Japanese. According to findings from Nielsen packs@work studies in Asia, Japanese consumers claim aesthetics to be a strong driver of pack preference.

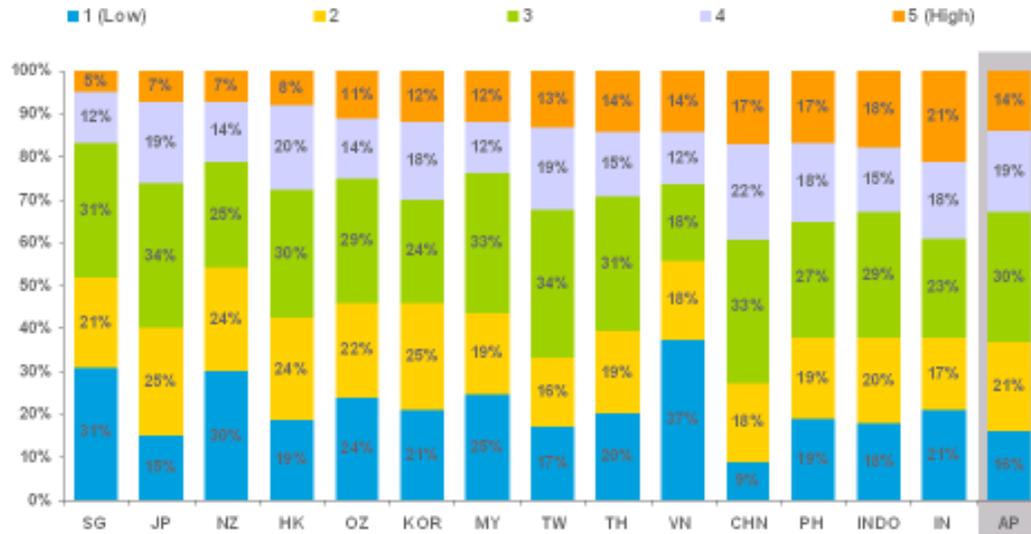
“As global concern and awareness about the need to preserve the environment increase, consumers around the world are demanding greater responsibility from retailers and FMCG manufacturers. And while eco-friendly packaging might not be the top priority for shoppers today, it’s certainly a growing consumer demand the food industry cannot ignore,” said Mitchell.

About The Nielsen Company

The Nielsen Company is a global information and media company with leading market positions in marketing information (ACNielsen), media information (Nielsen Media Research), online intelligence (NetRatings and BuzzMetrics), mobile measurement, trade shows and business publications (Billboard, The Hollywood Reporter, Adweek). The privately held company is active in more than 100 countries, with headquarters in Haarlem, the Netherlands, and New York, USA. For more information, please visit, www.nielsen.com

Table 1

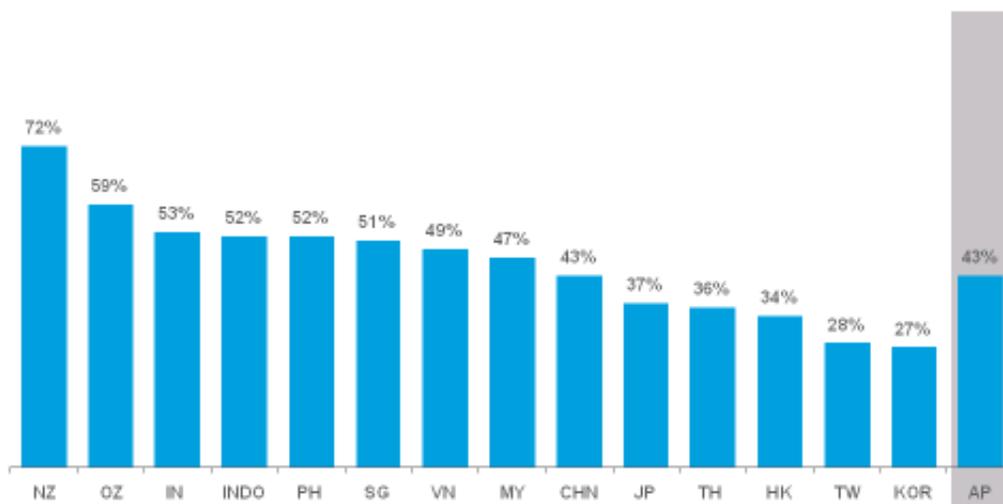
On a scale of 1 (low) to 5 (high), how important are the following factors when you are deciding where to do your grocery shopping?
 - Uses recyclable bags and packaging



Base: All respondents
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Table 2

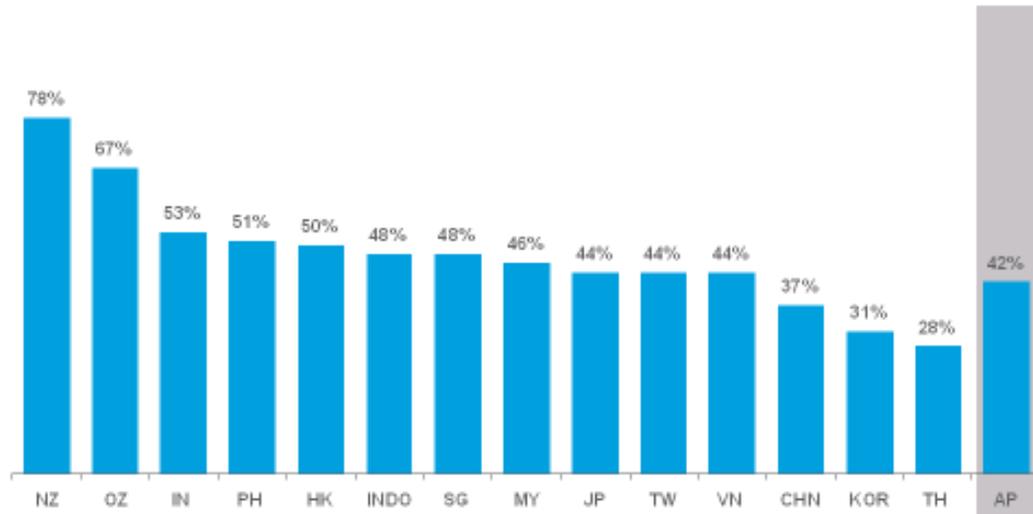
Which of these aspects of packaging would you be prepared to give up if it meant that it would benefit the environment?
 - Packaging for convenience, such as packs that can be cooked in or kept at home as a resealable container



Base: All respondents
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Table 3

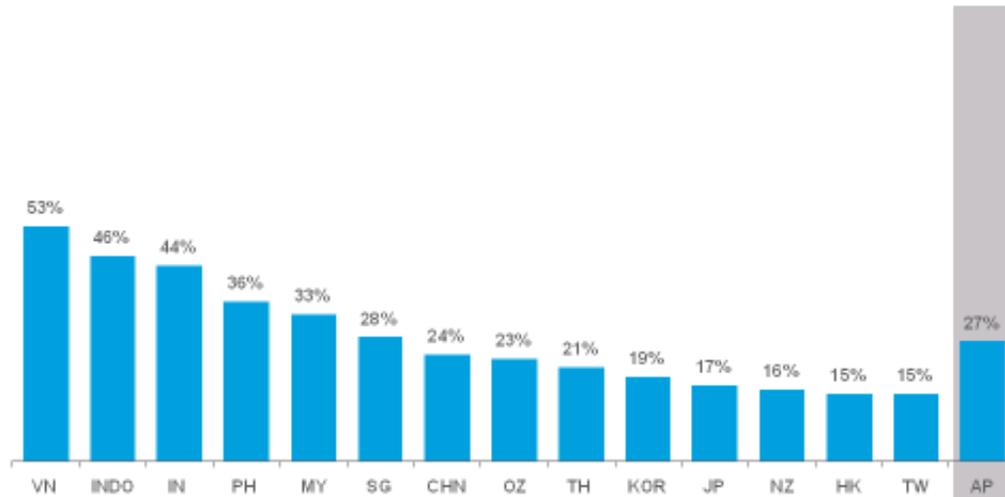
Which of these aspects of packaging would you be prepared to give up if it meant that it would benefit the environment
 - Packaging in a shape that makes it easier to stack and store at home



Base: All respondents
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Table 4

Which of these aspects of packaging would you be prepared to give up if it meant that it would benefit the environment
 - Packaging for hygiene which keeps products clean and untouched by other shoppers



Base: All respondents
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