WHAT'S NEXT IN E-COMMERCE

UNDERSTANDING THE OMNICHANNEL CONSUMER

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WHAT'S NEXT IN E-COMMERCE: UNDERSTANDING THE OMNICHANNEL CONSUMER

We are standing on the precipice of a systemic shift in retail e-commerce. E-commerce sales across countries and markets continue to see growth, but profitability still evades most online retailers. It's about to get even tougher, as the lines between online and offline retailers continue to blur. Tomorrow's successful retailers and manufacturers need to make decisions now. Waiting to make heads or tails of the change in where, how and why consumers are shopping could mean missing out.

To date, categories such as electronics, mobile goods and travel are faring the best in the e-commerce space.

As the e-commerce channel expands, the future success of brands will be significantly affected by how successful they are online. As increasingly time poor consumers seek convenience and on-the-go purchases, online sales of fast-moving consumer goods (FMCG) will gain more importance.

FMCG is a category that retailers and manufacturers will need to get right, as consumers demand much higher standards on quality, range and delivery, making logistics, assortment and price choices crucial for this channel.

Retail e-commerce is an underutilized channel that is about to change rapidly. A dearth of credible information means there are few preconceived notions to dispel. One myth circulating is that connectivity among users will primarily drive e-commerce, but there are strong supply-side drivers. Focus on getting them right and win the battle of the online basket.

UNDERSTANDING THE COMPLEX DYNAMICS OF AN OMNICHANNEL WORLD

E-commerce is fundamentally changing the retail landscape, but predicting the size and rate of change is not an easy task.

To understand the consumer's journey to online purchasing we need to go back to Moore's Law, which suggests computing power doubles every two years.

The late 1990s and early 2000s saw rapid growth in internet connectivity. Suddenly, consumers had unprecedented access to information. They responded by researching products and services, comparing prices, accessing store information and writing reviews, which created a new "path to purchase" and, ultimately, lead to the rise of "connected commerce".

Smartphone development sparked a mobile revolution and gave consumers the power to purchase anytime, from anywhere. Online purchasing was the natural progression—and retail e-commerce was born.

This cycle is largely irreversible. Global e-commerce trends show that e-commerce buyers are a subset of digitally influenced purchasers. And this trend is set to increase over time.

In fact, the cycle between digitally influenced purchasing and mobile consumption is accelerating, with very few examples of turnaround[1].

UNIVERSAL DRIVERS OF E-COMMERCE

Consumers' increasing openness and willingness to try new things online, coupled with faster data speeds and better connectivity, plays a fundamental role in the growth of e-commerce. But there is more to it.
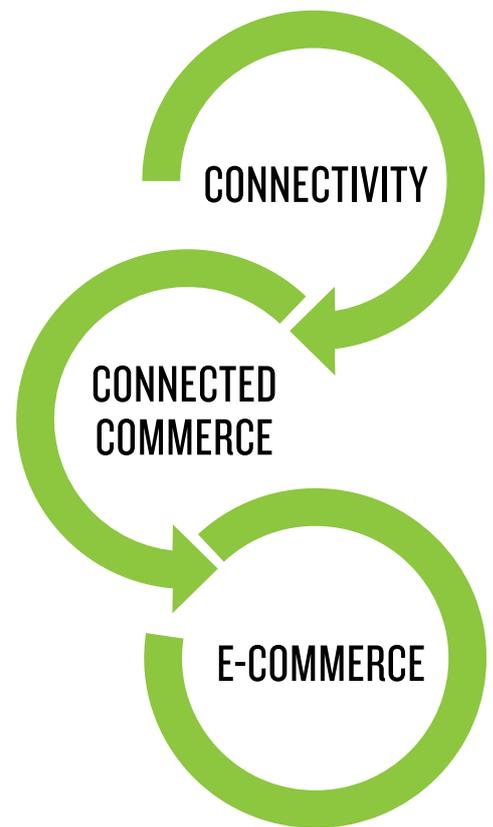
[1]E-commerce – Evolution or Revolution in the Fast-Moving Consumer Goods World, Nielsen, 2014
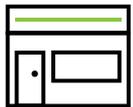
CONNECTIVITY

CONNECTED COMMERCE

E-COMMERCE

WHILE THERE ARE GEOGRAPHIC NUANCES AT PLAY, FOUR MAIN FACTORS WILL DRIVE E-COMMERCE GROWTH

1
CONSUMER DEMAND

2
RETAIL INFRASTRUCTURE AND SUPPLY

3
HIGH-LEVEL ENVIRONMENTAL AND CULTURAL FACTORS

4
LOGISTICS THAT SUPPORT THE LAST MILE

SUCCEEDING IN E-COMMERCE

E-commerce growth is being led by a multitude of factors. Consumers getting connected and demanding better assortment and value through an omnichannel experience is an obvious driver. Consumers also seek trust in a channel, which can only be built over time by providing a consistent quality shopping experience. In the case of e-commerce that trust is still developing.

Through experiences in developed e-commerce markets such as China, Korea, UK etc., it is clear that physical as well as financial infrastructure - robust and reliable delivery mechanisms, digital payment systems and even cash on delivery options - have proven their worth toward faster market development. Environment and cultural factors also play a big role, leading to some markets moving much faster than others despite having a similar connectivity profile.

MEANWHILE, LOOKING THROUGH A GEOGRAPHIC LENS THE FOLLOWING FOUR FORCES ARE KEY TO WINNING IN THIS RAPIDLY CHANGING MARKET.

1 AGILITY – in four years retail e-commerce size will rival global FMCG

2 FLEXIBILITY – the drivers and barriers are unique to each market

3 INFLUENCE – the elusive food basket is both a challenge and opportunity

4 APPEAL – wooing the omnichannel shopper is key to success

AGILITY—SIZE MATTERS

Amazon's acquisition of Whole Foods was an important signal to the market: e-commerce is fundamentally changing the retail landscape. The future of retail will be built on a digital foundation.

Better connectivity, cheaper data and handsets, and the popularity of messenger apps – WhatsApp, WeChat, Kakao – are all driving fundamental shifts in consumer habits. Consumers no longer trek to brick-and-mortar establishments to research products. But is e-commerce the chicken, or is it the egg? To what extent does size and mobile penetration impact this shift?

ONLINE SHOPPING IS THE BIGGEST SHIFT IN CONSUMER HABITS

While e-commerce represents, at best, roughly one-10th of the total $28 trillion global retail market, it's growing so rapidly that it's contributing significantly to growth. Global FMCG retail (online and offline) is pegged at $4 trillion today, growing at a rate of just 4%, with signs of continuing sluggish performance in developed markets. On the other hand, total retail e-commerce is predicted to grow by 20% combined annual growth rate (CAGR) to become a $4 trillion market by 2020[2]. In dollar terms, this is an additional $2.1 trillion over the next four years, compared to $0.7 trillion across the FMCG segment.

This growth outlook begs the question, are brands and retailers treating e-commerce as a bigger growth opportunity than the whole FMCG industry itself?

Relative to sectors like apparel and electronics, it is still early days in the evolution of e-commerce for most FMCG categories. The grocery category is even earlier along the chain of evolution.

Even in some of the most developed markets, like the U.S., we will see significant growth of online channels. While 23% of Americans are buying groceries online today, that's expected to more than triple in less than 10 years[3].

The prospect of the online retail industry equaling the FMCG industry in size globally represents a massive shift in consumer habits from the perspective of manufacturers and retailers. It's the biggest change we will see in our lifetime.

Any FMCG strategy that's not already factoring in e-commerce is missing a big part of the growth story.

[2]Worldwide Retail Ecommerce Sales: The e-Marketer Forecast for 2016, e-Marketer, 2016
[3] The Digitally-Engaged Food Shopper, Nielsen and FMI, 2017

CHART I

GLOBAL E-COMMERCE GROWTH FORECAST

20%

E-COMM

4%

FMCG

% GROWTH CAGR

Source: CPG Size and CPG eCommerce Size: Nielsen, Overall e-commerce and Growth Forecast: eMarketer

RETAIL E-COMMERCE RIDES ON THE BACK OF SMARTPHONES… MOSTLY

The relationship between smartphone ownership and retail e-commerce is complicated. Retail e-commerce appears to walk hand-in-hand with a market's smartphone reach, but there are outliers, and they cannot be easily explained.

CHART 2

RELATIONSHIP BETWEEN RETAIL E-COMMERCE AND SMARTPHONE PENETRATION
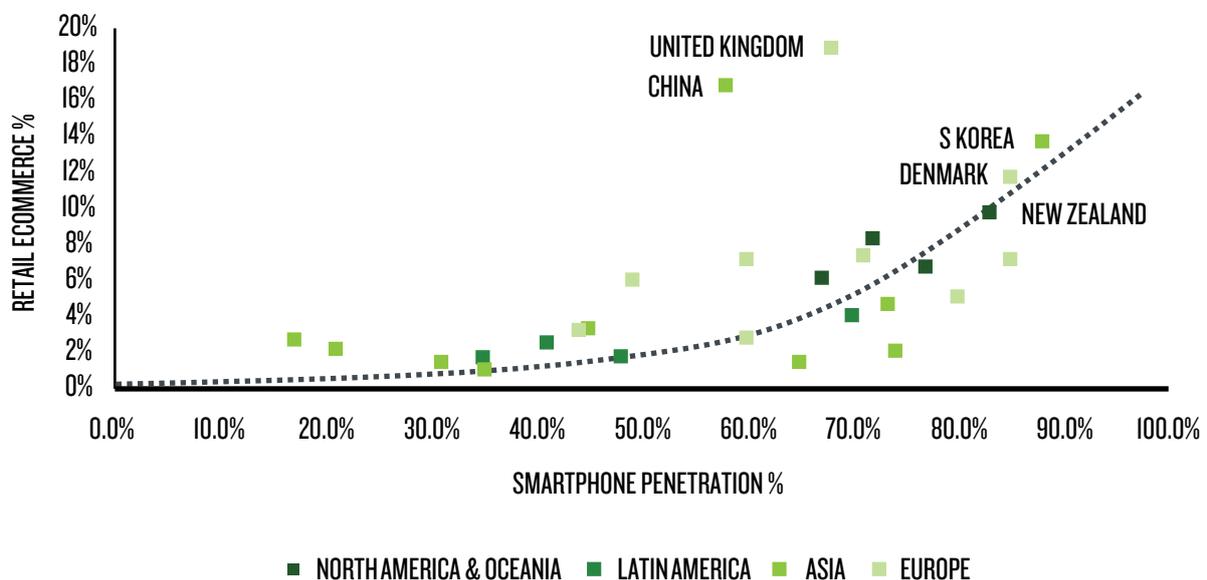
Source: e-marketer - Total Retail e–commerce including FMCG, Durables, Fashion, Home etc.

While it's a strong relationship, the reach of smartphones alone isn't sufficient for strong e-commerce development.

A closer look at the relationship between FMCG and e-commerce reveals a more tenuous one-to-one connection. When it comes to the grocery category, the outliers become even more apparent. We see the strongest outliers happening in South Korea, China, Singapore, the U.K. and France.

This can only mean one thing: consumers' online and mobile behaviors alone are not the only set of factors changing offline versus online shopping trends.

CHART 3

GROCERY E-COMMERCE DOESN'T FOLLOW SMARTPHONE REACH

FMCG ECOMMERCE % TO TOTAL FMCG (y-axis)

SMARTPHONE PENETRATION (x-axis)

SOUTH KOREA
CHINA
FRANCE
UK
SINGAPORE

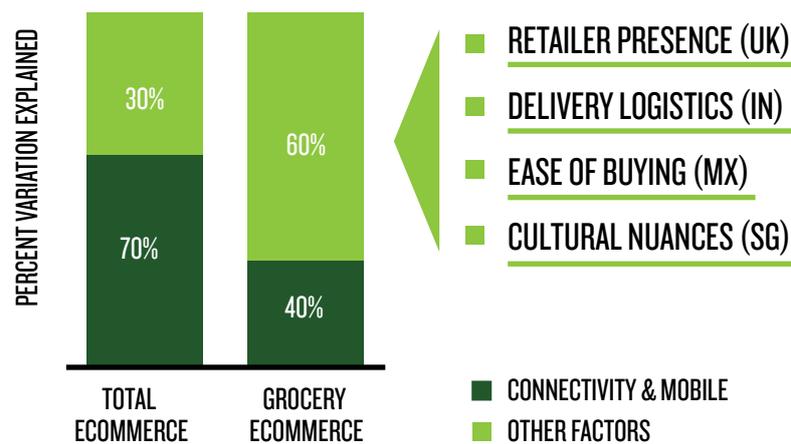NORTH AMERICA & OCEANIA   LATIN AMERICA   ASIA   EUROPE

Looking at the total e-commerce market and how much this variation is explained by connectivity and mobile penetration, 70% of variation in total e-commerce sales can be accounted for by these two factors. On the other hand, it only accounts for 40% of variation in grocery e-commerce, which means 60% is explained by other factors.

POTENTIAL FACTORS INFLUENCING GROCERY OUTLIERS

CHART 4

SUPPLY IS MORE IMPORTANT
THAN DEMAND FOR GROCERY E-COMMERCE

PERCENT VARIATION EXPLAINED

TOTAL ECOMMERCE	GROCERY ECOMMERCE
30%	60%
70%	40%

- ■ RETAILER PRESENCE (UK)
- ■ DELIVERY LOGISTICS (IN)
- ■ EASE OF BUYING (MX)
- ■ CULTURAL NUANCES (SG)

- ■ CONNECTIVITY & MOBILE
- ■ OTHER FACTORS

Retailer Presence:
E-commerce in the U.K. bucks the trends by being above the curve. Two factors driving this nuance are the early entry of online supermarket, Tesco, with its supermarket model in 1996, and pure play online retailer, Ocado, with its warehouse model, making its first commercial delivery to U.K. consumers in 2002 with accurate time slots and three temperatures. As a result of both retailers' early presence in the online space, U.K. consumers are now accustomed to buying groceries online.

Delivery Logistics:
At the other end of the spectrum, India falls below the curve. While smartphone penetration in India is high, there is a significant logistical barrier. India has 6,000 cities and 600,000 villages, which account for 70% of the country's population. Retail e-commerce providers currently deliver to just 200 cities, with grocery e-commerce available in a mere 30 cities.

This means 80% of the population and over 50% of national income is missing from retail e-commerce. Even if this proportion of the population wanted to purchase online, fulfillment is simply not available. There is no question that e-commerce in India is poised for exponential growth, once retailers solve how to deliver outside these 200 cities.

Ease of Buying:

Another example of retail e-commerce growth challenges lies in countries with transaction barriers. Mexico, for example, has historically experienced high rates of credit card fraud. The government, along with banks, has made a concerted effort to rein in fraud, which has reduced rates to about 1% compared to historical levels.

While this progress is a success story for online fraud, an unfortunate side effect is that four out of every 10 online transactions is rejected, creating frustration for genuine buyers.

This frustration has been a significant barrier to the country developing a healthy online trade. If e-commerce is to flourish in Mexico, the country's institutions will need to find a way to fix the fraud problem without creating unnecessary disincentives to e-commerce.

Cultural Nuances:

Singapore, despite being a small city that lends itself to super-fast fulfillment, has also experienced its share of barriers to grocery e-commerce growth. Well-entrenched traditional retailers (two retailers account for the majority of grocery trade), combined with cultural resistance to online shopping due to Singaporeans' love of shopping, have slowed the e-commerce growth trajectory. With a shopping landscape integrated into every aspect of life, supermarkets and hypermarkets have evolved to be present at all points along the daily commute, with some of the biggest malls built above or below metro stations.

Convenience, coupled with Singaporeans' intrinsic affection for shopping, have created a situation where citizens genuinely enjoy the act of shopping as a leisure activity that's part of their daily lives.

These local market factors haven't entirely stifled e-commerce. Local giants Lazada and Redmart are making steady progress, while Amazon recently entered the market.
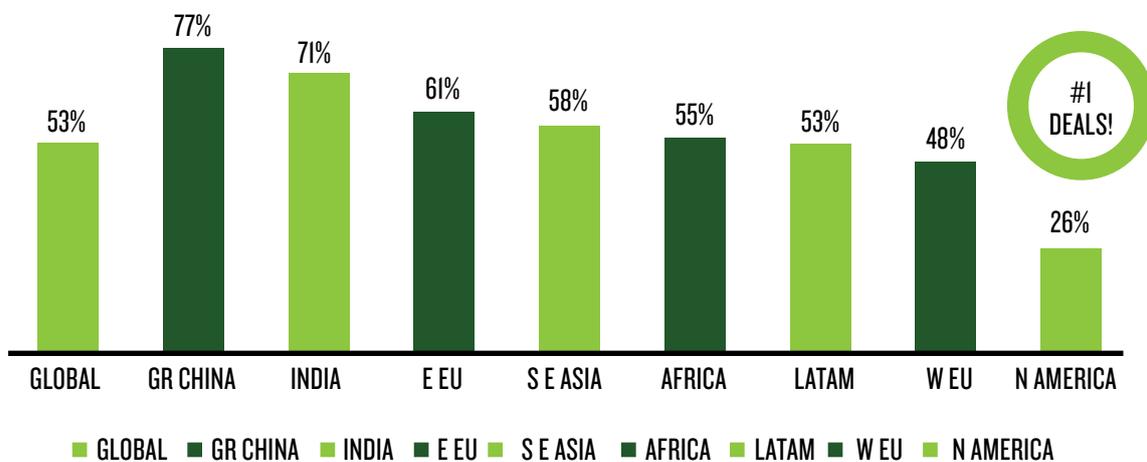
FLEXIBILITY— DRIVERS AND BARRIERS

Globally, more than half of online consumers believe that shopping online for groceries is convenient and saves time.

This belief holds true across all markets with one exception: North American consumers are drawn online for better grocery deals, over and above convenience or time factors, reflecting the strong price focus of U.S. online players. From big e-commerce players to niche providers, the coupon culture and deep discounts during specific occasions like Black Friday have trained consumers to expect a better price from online channels.

CHART 5: TOP DRIVERS FOR ONLINE GROCERY SHOPPING

	GLOBAL	GR CHINA	INDIA	E EU	S E ASIA	AFRICA	LATAM	W EU	N AMERICA
%	53%	77%	71%	61%	58%	55%	53%	48%	26%

#1 DEALS!

■ GLOBAL ■ GR CHINA ■ INDIA ■ E EU ■ S E ASIA ■ AFRICA ■ LATAM ■ W EU ■ N AMERICA
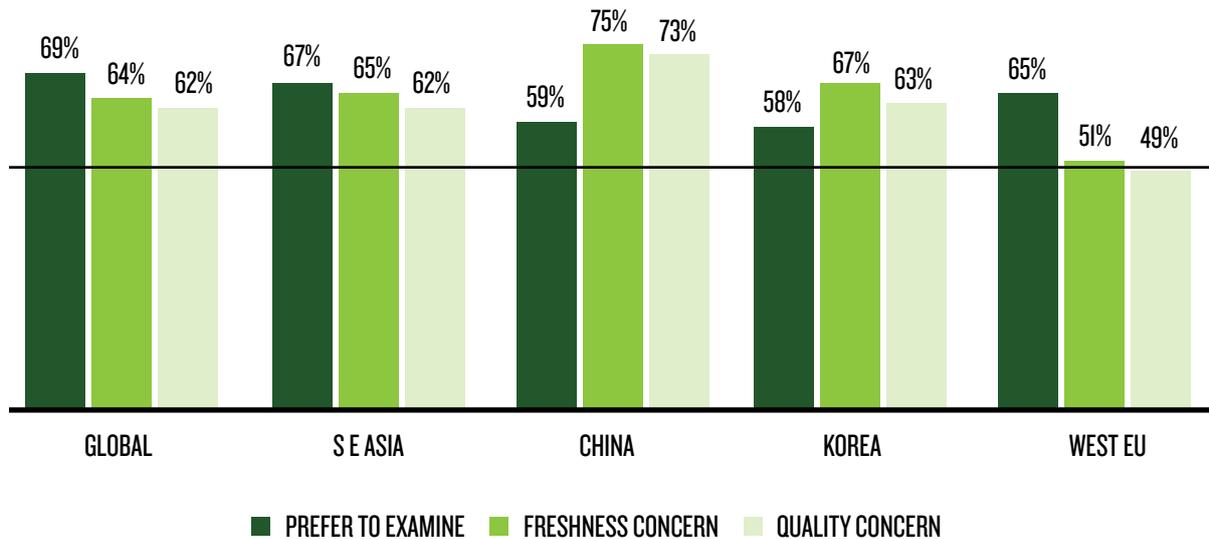
Nielsen Connected Commerce Study-2016-BASE: All Online Consumers

Conversely, three key considerations emerge when examining the barriers to purchasing online:

1. The desire to examine an item before buying it—from grocery to apparel

2. Lack of trust that retailers will meet expectations around freshness

3. Concern over the level of quality of products bought online vs. in-store

CHART 6:

TOP BARRIERS TO ONLINE PURCHASING

	GLOBAL	S E ASIA	CHINA	KOREA	WEST EU
PREFER TO EXAMINE	69%	67%	59%	58%	65%
FRESHNESS CONCERN	64%	65%	75%	67%	51%
QUALITY CONCERN	62%	62%	73%	63%	49%

It comes down to trust: shoppers are still not convinced that the product will arrive on their doorstop as fresh, of the same quality, or turn out how they imagined. This concern manifests itself in lower volumes of grocery e-commerce compared to non-food e-commerce.

Retailers certainly recognize these barriers and many are taking steps to address consumers' concerns over quality and freshness by building their logistics chains around **three core logistics capabilities:**

1. Three-temperature deliveries (ambient, chilled and frozen)
2. Same/next day delivery with accurate time slot management
3. Click-and-collect options

THREE-TEMPERATURE DELIVERY

To deliver food products to households in optimum condition, retailers should be able to transport their orders throughout the fulfillment journey at three different temperatures:

1. Ambient, for packaged food such as produce, canned goods, sauces and other items that don't require chilling;
2. Chilled, for products such as butter, cheese and other dairy items; and
3. Frozen for items such as frozen vegetables and ice cream.

Another important delivery consideration is packaging that maximizes the length of time that delivered items can be outside of refrigerated areas, which provides for added flexibility to deliver while consumers aren't home.

SAME/NEXT DAY DELIVERY WITH ACCURATE TIME SLOT MANAGEMENT

Catering for same-day and next-day deliveries, on top of managing change requests for time slots, is an ongoing logistical challenge for retailers.

Once a slot is assigned to a customer, ensuring that it's delivered within that time slot is critical to both customer satisfaction and cost-efficiency. Planning for delivery under these circumstances or changing the time slot can be challenging on all sides – customer, delivery partner and the platform itself. Delivery takes on an additional challenge when cash on delivery is the mode of payment, which is the case in many emerging markets. Artificial intelligence (AI) and bots will play a significant role in creating new solutions to manage these delivery challenges in the near future.

CLICK-AND-COLLECT

For many shoppers, click-and-collect combines the convenience of online shopping with the trusted physical experience of shopping in-store. For retailers, click-and-collect provides a way to get online shoppers in-store, where they might complement their online purchases with another purchase the store has to offer.

This not only solves for delivery challenges, but also addresses consumers' concerns over freshness and quality: where a consumer wants to examine specific products, they have the flexibility to purchase the bulk of their basket online, have it prepackaged for collection, and then top up in-store.

INFLUENCE—THE ELUSIVE FOOD BASKET

To date, food is largely absent from e-commerce sales. So elusive is this food basket that it is even out-ranked by the heavily regulated and low online coverage liquor category (see chart 7).

We know the food basket represents the holy grail for retailers. Once a consumer has selected their preferred retailer they will continue to purchase from that retailer.

Once this food basket shifts online, the retail winners will benefit from customer loyalty, trust and personal choice. This shift is currently taking place within individual categories. Once retailers shift customer online, their willingness to walk into offline stores reduces dramatically.

While the food basket is currently much smaller than the non-food basket across all markets, once this shifts it will be the last bastion for retailers to build a loyal following.

Heavily dependent on key category ranging, the food basket can be linked to top categories such as personal care and household care items, which rank at the top of consumers' consideration set of categories online (35% and 18%, respectively[4]).

Conversely, packaged foods and fresh foods rank lower on consumers' consideration set of categories online. Globally, 17% of consumers buy packaged foods online and 11% buy fresh foods online. There are two exceptions: the U.K. and Korea both have 37% purchase incidence for fresh foods, showing that online food retail is a big opportunity in most countries around the world.

THE GAP BETWEEN FOOD VS. NON-FOOD PERSISTS

Both food and non-food FMCG categories are growing as contributors to overall e-commerce sales, with the contribution variance between food and non-food more pronounced in highly developed e-commerce markets such as China, Korea and North America.

[4]Connected Consumers Report, Nielsen, 2016

CATEGORY PURCHASES ONLINE (GLOBAL)

CHART 7

35% PERSONAL CARE

18% HOUSEHOLD

17% PACKAGED FOODS

14% BABY CARE

13% PET CARE

11% LIQUOR
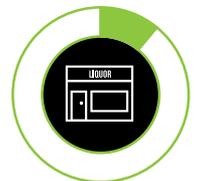
11% FRESH FOODS

The U.K. and France have very similar contributions from food vs. non-food. This can largely be attributed to lower concerns over freshness and quality in Europe compared to the U.S. or China. In fact, in the first half of 2017 food FMCG categories for the first time surpassed non-food FMCG categories for contribution to overall e-commerce sales in France.

E-COMMERCE CONTRIBUTION TO FOOD AND NON-FOOD CATEGORY SALES

CHART 8

HI 2017

|	FOOD	NON-FOOD
USA	2.5 / 1.9	16.6 / 13.8
SINGAPORE	3.4 / 2.6	4.3 / 3.3
FRANCE	5.2 / 4.6	5.1 / 4.6
UK	6.3 / 6.1	7.6 / 7.6
KOREA	11.7 / 10.1	20.9 / 19.4
CHINA	13.8 / 13.6	36.3 / 33.9
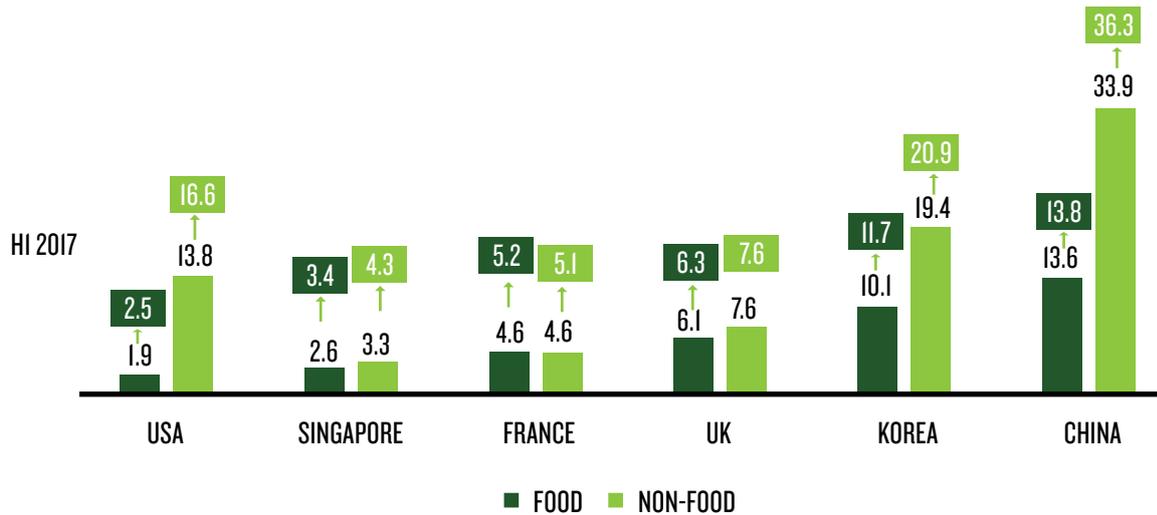
■ FOOD   ■ NON-FOOD

2016 AND 2017 e-commerce contribution to Food and Non-food Sales Value

FRENCH LOVE TO COLLECT:

This nuance in France is underpinned by French consumers' preference for a click-and-collect option to allow them to inspect key purchases. Subsequently, many retailers in France have taken steps to leverage the click-and-collect model to drive growth, leading to high FMCG growth of 9% year-on-year in click-and-collect channel, as compared to total France FMCG which is almost flat at 1% year-on-year growth from January to June 2017.

FMCG GROWTH, JANUARY TO JUNE 2017

CHART 9

FMCG GROWTH % YTD 2017   FRANCE

9%

1%

■ CLICK AND COLLECT
■ TOTAL MARKET
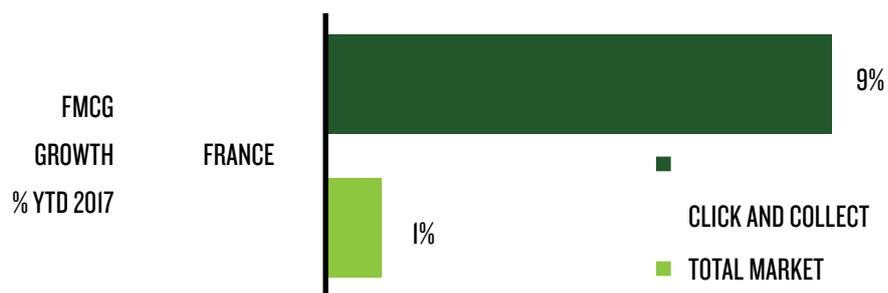
France: Homescan - FMCG Growth % Jan-Jun 2017 vs. Jan-Jun 2016

The number of stores with click-and-collect options in France has expanded significantly over the last six years, creating a convenient way for French consumers to save time, yet be able to exercise their choice on multiple fronts, for example time and location of pick-up and offline purchase of top-up categories.

STORE LOCATIONS PROVIDING CLICK-AND-COLLECT (FRANCE)

CHART 10

2010	2016

MUMBER OF STORE LOCATIONS PROVIDING CLICK & COLLECT
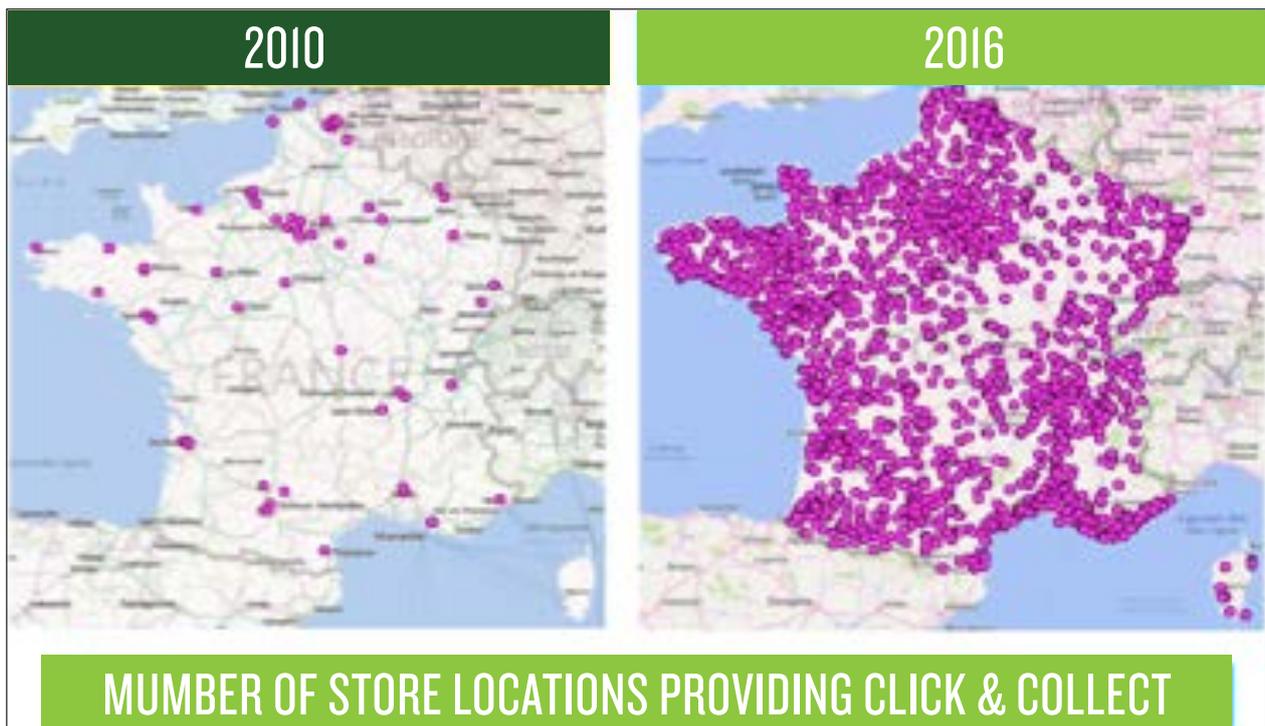
GROCERY E-COMMERCE HEATING UP IN THE U.K.

In recent years, the U.K. has had an influx of retailers offering grocery e-commerce. Amazon Fresh and Tesco Online have joined Ocado with same-day delivery to remove more barriers.

The e-commerce market in the U.K. is one of the most mature globally: 36% of households shop online and e-commerce contribution to total retail sales is in the high single digits. While the market has faced a new growth challenge with falling frequency and basket size, over the coming year, online grocery shopping is anticipated to continue growing.

E-COMMERCE CONTRIBUTION TO TOTAL FMCG SALES (U.K)

FOOD — 6.1% / 93.9%

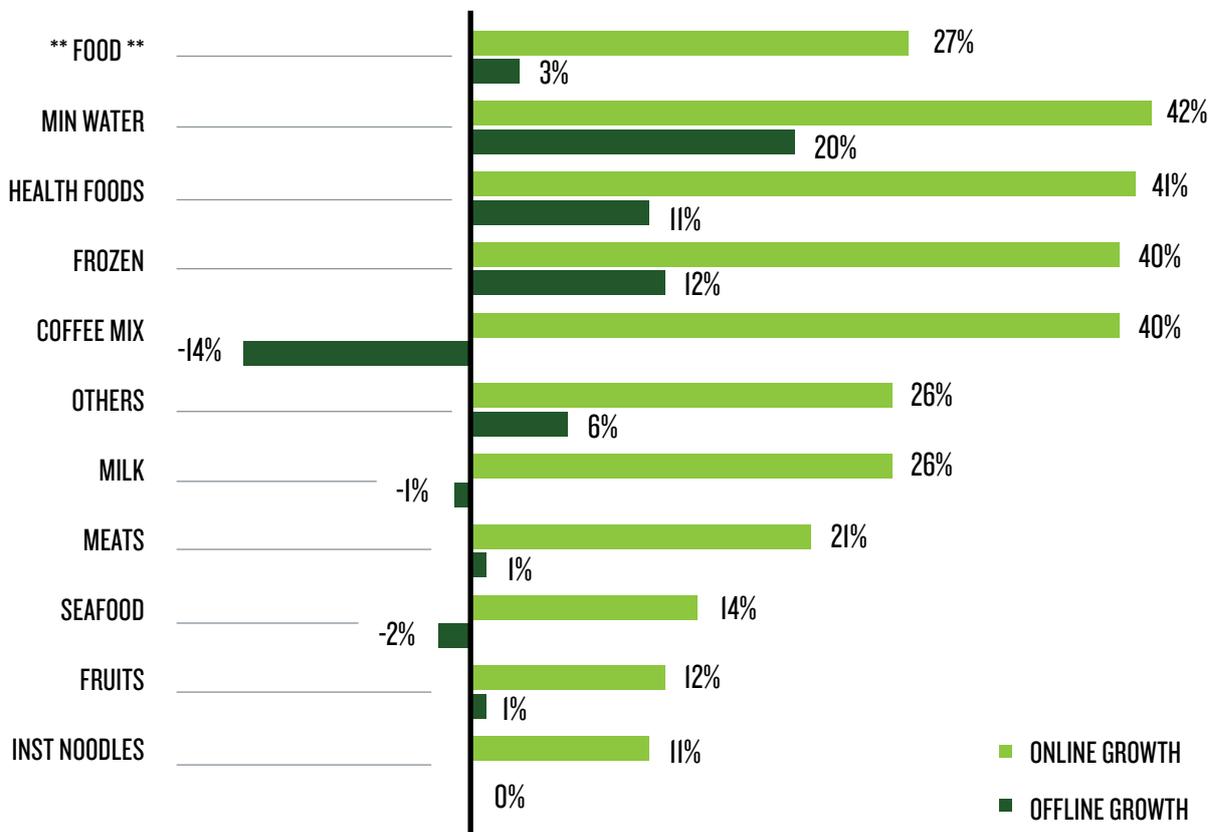NON-FOOD — 7.6% / 92.4%
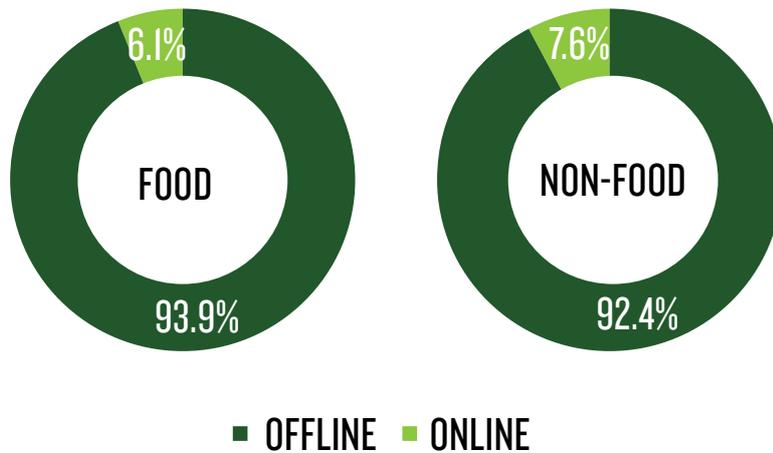
- OFFLINE - ONLINE

KOREAN FOODS GROWING FAST ONLINE

While the contribution of e-commerce to food categories in South Korea remains low, sales of food online is showing solid growth and is outpacing offline sales growth across many categories.

ONLINE VS. OFFLINE SALES GROWTH BY CATEGORY

Category	Online Growth	Offline Growth
** FOOD **	27%	3%
MIN WATER	42%	20%
HEALTH FOODS	41%	11%
FROZEN	40%	12%
COFFEE MIX	40%	-14%
OTHERS	26%	6%
MILK	26%	-1%
MEATS	21%	1%
SEAFOOD	14%	-2%
FRUITS	12%	1%
INST NOODLES	11%	0%

- ONLINE GROWTH
- OFFLINE GROWTH

Korea – Growth % MAT Mar 2017 vs. LY – Nielsen Homescan

APPEAL-WOOING THE OMNICHANNEL CONSUMER

Korea is the most advanced e-commerce market in the world. A number of insights and trends in this market can help to predict where other markets are headed. In particular, four factors stand out as being most important to the e-commerce shopper:

1. **Convenience:** is by far the biggest consideration at 70%. This includes flexibility with delivery or pick up; saving convenience in transporting goods; ability to outsource delivery of large and heavy items; and saving time.

2. **Price/value:** 61% of shoppers cited price or value as a key consideration. This includes aspects low price on items; free shipping; sales and promotions as well as getting good value.

3. **Assortment, or variety is the third consideration:** more than half (54%) of shoppers consider this as important. This includes considerations of uniqueness, a wide selection, ability to purchase in bulk and high quality goods.
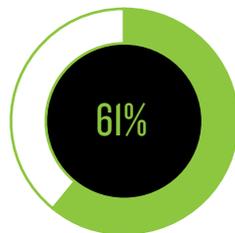
4. **Experience:** just over a third (38%) cited this as important, which runs counter to most commentary on online retail. This includes making purchases fun and exciting; easy to navigate; availability of product information for research as well as the ability to make discrete purchases.
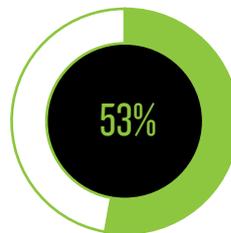
CONVENIENCE
70%

PRICE/VALUE
61%

ASSORTMENT
53%

EXPERIENCE
38%

50% FLEXIBLE DELIVERY/PICK UP	40% LOW PRICES ON ITEMS	35% UNIQUE ASSORTMENT	40% FUN/EXCITING
45% TRANSPORTATION/GAS	35% FREE SHIPPING	30% WIDE SELECTION	35% EASY TO NAVIGATE
35% LARGE/HEAVY ITEMS	30% SALE/PROMOS	20% BULK ITEMS	30% PRODUCT INFORMATION
30% SAVES TIME	25% GOOD VALUE	15% HIGH QUALITY	20% DISCREET PURCHASES
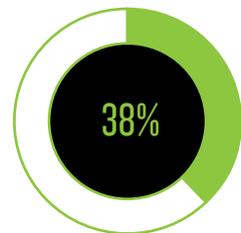
Source: Nielsen Korea analysis

EXPERIENCE, THE UNSTATED EXPECTATION

While there has been a relatively strong focus on customer experience, particularly across digital channels, consumers consistently rank experience as their least motivating factor. The fact is, consumers have already established expectations for a certain customer experience. Meeting this baseline has become 'table stakes' for retailers—to drive loyalty and repeat purchase they must go above and beyond existing expectations.

The reason experience may be coming in at the bottom, contrary to popular opinion on its importance, lies in the quality technique, KANO model.

The KANO model talks about three parameters: dissatisfiers, satisfiers and delighters.

Dissatisfiers are the hardest to infer from research, as consumers won't talk about their wishes or desires, they will simply expect it to happen. If they are present, consumers don't tend to notice or rate them. Their absence would be highly distressing to the consumer.

A good example is our attitude toward utilities. We aren't surprised or delighted when we switch a light on and it works, or find water comes out of a faucet when we turn on the tap. But if they weren't available, we'd be extremely upset.

Experience falls under this category, and therefore shouldn't be taken for granted. Specific to note here is delivery experience, which is the moment of truth in any e-commerce transaction. This includes all the aspects of home-delivery or collection options.

Instead, consumers tend to focus on satisfiers and delighters in market research surveys, as these are elements they didn't expect. When provided with an unexpected experience, the consumer is satisfied or delighted.
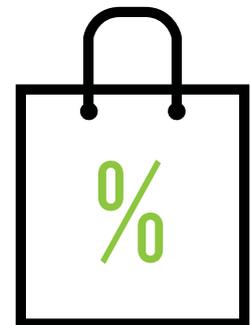
THE FUTURE OF E-COMMERCE AND THE ONLINE SHOPPER

In a rapidly changing industry, the continued growth of e-commerce hinges on great consumer experience, adequate price-value equation and optimum assortment for the basket. Maximizing each of these elements means acting with agility, speed and confidence. It starts with connecting your business to your consumer to enable faster, smarter, coordinated action.

E-commerce represents a great opportunity as well as a challenge for brand owners. E-commerce allows consumers to access a broader range of brands, from main-stream to niche. Consequently, there is far less concentration of sales in online channels compared to offline. In fact, in developed online markets like Korea and China, the top-selling products in e-commerce are different to the top SKUs in brick-and-mortar. Embracing this reality and making the most of the "four Ps" of online marketing is critical for brands, if they want to remain significant in this market of the future.

As a retailer, e-commerce needs to be at the center of your strategy. It is a channel that's driving substantial growth relative to its share of sales today. The digitally engaged consumer is shopping differently across all channels as a result of e-commerce.

Brick-and-mortar retail is experiencing its own iteration of a Kodak moment. Shifting the balance between high-margin in-store baskets and (currently) low-margin online baskets requires courage, conviction and insight. For those willing to take a calculated risk, the rewards are there for taking over the coming years as share of growth continues to skew toward online channels. Recent bankruptcy petition filed by Toys "R" Us should be a wake-up call to all retailers.

The way forward lies in using existing offline scale to purchase most competitively, building delivery logistics with existing internal or external infrastructure and establishing independent e-commerce divisions with new skillsets and talent.

While there is the inevitable desire to continue returning to what is familiar and seemingly safe, disruption from within is the true key to unlocking full potential.

END NOTES

Nielsen has identified pockets of growth and e-commerce trends from globally syndicated studies. This paper includes key insights from markets where e-commerce has been successful and others where there have been barriers to e-commerce growth, focusing on India, Korea, France, the U.K. and Mexico.

Specific research sources include:

1. *Nielsen e-commerce indices across multiple markets via:*
   a. *Nielsen Homescan*
   b. *Nielsen Retail Measurement Service*

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ABOUT NIELSEN

Nielsen Holdings plc (NYSE: NLSN) is a global performance management company that provides a comprehensive understanding of what consumers watch and buy. Nielsen's Watch segment provides media and advertising clients with Nielsen Total Audience measurement services for all devices on which content — video, audio and text — is consumed. The Buy segment offers consumer packaged goods manufacturers and retailers the industry's only global view of retail performance measurement. By integrating information from its Watch and Buy segments and other data sources, Nielsen also provides its clients with analytics that help improve performance. Nielsen, an S&P 500 company, has operations in over 100 countries, covering more than 90% of the world's population. For more information, visit www.nielsen.com.

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