

Driving Hispanic Shoppers to Center Store - Hispanic is More Than Food

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nielsen
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What we will cover today

Our Journey in Serving Hispanic Consumers –
P&G perspective and Nielsen perspective

Why Center Store is a key to winning with
Hispanic Consumers

Myths and Realities – what we have learned on
our journey

P&G at a Glance

300

Brands

80

Countries

(Rounded numbers)





**WE ARE PURPOSE-
DRIVEN AND VALUES-LED**

P&G brands and people
improve the lives of the
world's consumers now and
for generations to come

A photograph of a woman with dark hair, wearing a pink polo shirt, hugging a young boy from behind. The boy is wearing a green shirt and looking towards the camera with a slight smile. The background is softly blurred, showing what appears to be a window with light-colored curtains.

**THE CONSUMER IS
BOSS**

Consumers are at the
heart of all that we do



**INNOVATION IS OUR
LIFEBLOOD**

Innovation is the primary
driver of sustainable growth

P&G

It is a journey...

and we did it following ONE rule...



**The
consumer
comes
first**

A grayscale photograph of a person's profile, looking towards the right. The person is wearing a light-colored shirt. The image is partially obscured by a large teal circle.

WATCH

A photograph of a hand holding a credit card over a laptop keyboard. The background is a bright blue sky. The image is partially obscured by a large teal circle.

BUY

changing the thinking on center store

nielsen



P&G

Retail innovations have been impressive, but few focused on Center Store

Store Formats

- Supercenter expansion
- Small formats
- Green formats
- Ethnic formats
- Outdoor malls
- Pop-up retailers

Communication

- Digital media
- Social media
 - Smartphone apps
 - In-Store kiosks & TVs

Assort. & services

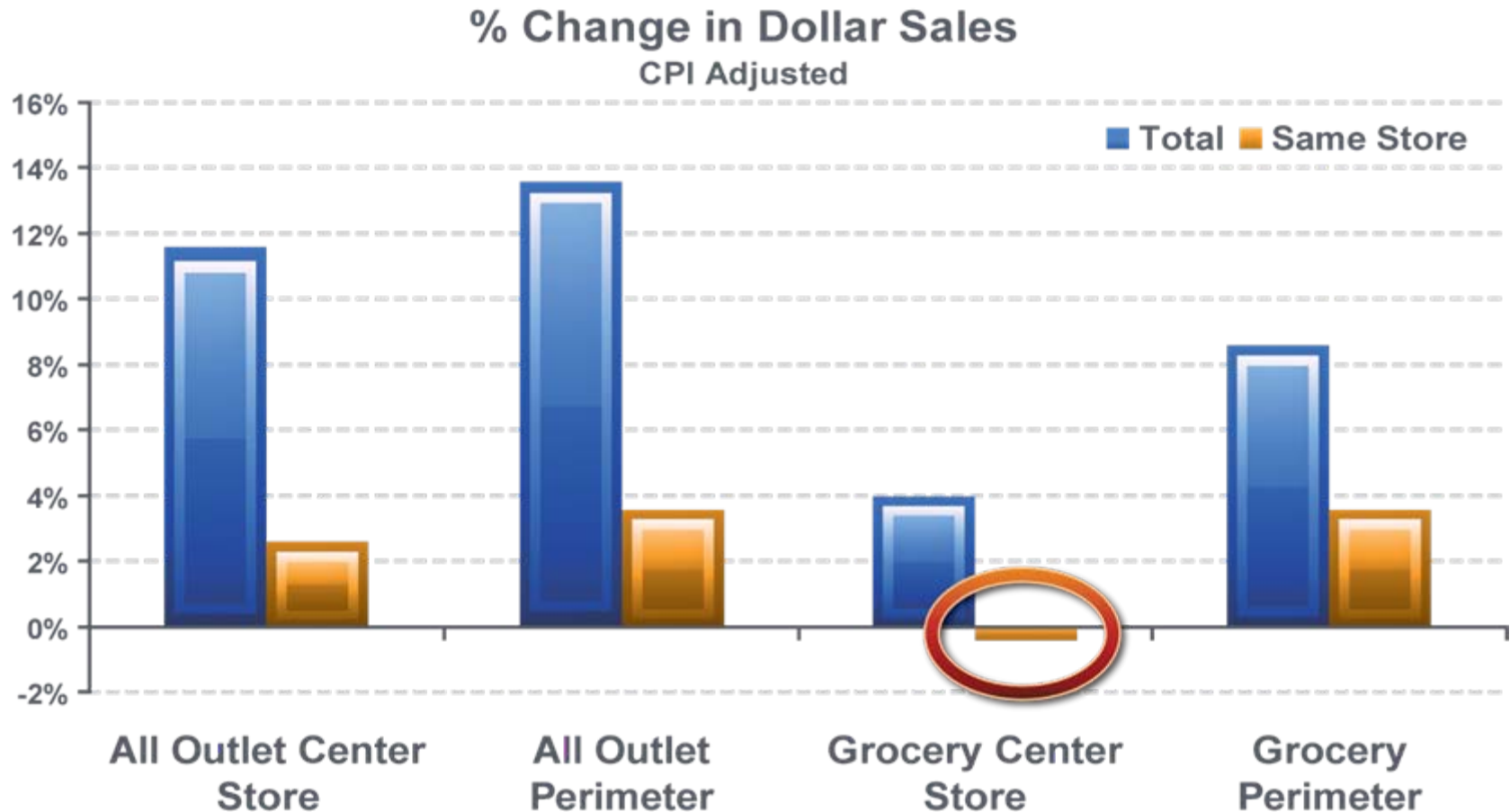
- Self check-out
- Health clinics
- Food & food service
- Store brands
- Better-for-you solutions
- Online
- Gift cards

Promotion

- Coupon renaissance
- Loyalty cards
- Gas savings

Leaving center store vulnerable to value players

Center Store generates 73% of total store sales & 77% of profit, but slower growth



Result?

Lost trips account for
\$23B
of lost opportunity
for Grocery Channel
alone

Myths & Realities

Myth #1

To win with
Hispanics, focus only
on the perimeter

Where & How Do I Shop & Buy?



Hispanics

- Spend the most per trip & annually
- Shop less often, usually with family
- Use less coupons or buys on deal less often
- More brand loyal; prefer quality over price
- Spend more on basic food ingredients, beauty product & baby related items

Hispanics spend more on basic food ingredients

Edible Category

Dollar Index

Dried Vegetables & Grains

235

Baby Food

195

Shortening Oil

161

Eggs

139

Prepared Foods – Dry Mix

136

Canned Milk & Creamers

135

Shelf-Stable Juices & Drinks

134

Flour

133

Non-Carbonated Soft Drinks

129

Seasonings & Spices

127

Hispanics spend more on beauty care & categories for babies

<i>Non-Edible Category</i>	<i>Dollar Index</i>
Women's Fragrances	177
Disposable Diapers	167
Men's Toiletries	149
Hair Care	144
Baby Needs	134
Photographic Supplies	124
Laundry Supplies	123
Skin Care Preparations	120
Personal Soap & Bath	119
Grooming Aids	119

Roxy's Picks w Univision.com:

BJ's Roxana's Picks

Disfrute los grandes ahorros con las marcas que Roxana escoje para su familia.



HASTA \$34 DOLARES EN DESCUENTOS

Roxana Garcia
madre y personalidad radial



R# 112454 8 RV1000

AHORRA \$10⁰⁰

Con Cualquier compra de dos Pampers® Cruisers® with Ultra Absorbency y Pampers® Sensitive Wipes, 1,024 ct.



REDIMIBLE SOLAMENTE EN BJ'S 1/1/10 - 1/25/10

Compra requerida para usar el cupón de fabricante dentro del Club. Límite uno por cupón. Un cupón por miembro. Solo para cupones originales según se aceptan. El uso de cupón duplicado está prohibido. No válido para compras antes o después de las días estipuladas en el cupón. Cupón válido en todas las ubicaciones de BJ's Club. Este cupón no puede ser combinado con otros ofertas o cupones. No se puede redimir por efectivo. No transferible. Normas federales y locales pueden requerir que el impuesto de venta sea cargado sobre el precio con el descuento si el producto está sujeto a impuesto de venta. Sentido y precio pueden variar. Mercancía disponible hasta agotar existencias. Devoluciones son prohibidas por la ley. Varios SKUs



R# 112452 8 RV0500

AHORRA \$5⁰⁰

2 Mr. Clean® de Cualquier tipo



REDIMIBLE SOLAMENTE EN BJ'S 1/1/10 - 1/25/10

Compra requerida para usar el cupón de fabricante dentro del Club. Límite uno por cupón. Un cupón por miembro. Solo para cupones originales según se aceptan. El uso de cupón duplicado está prohibido. No válido para compras antes o después de las días estipuladas en el cupón. Cupón válido en todas las ubicaciones de BJ's Club. Este cupón no puede ser combinado con otros ofertas o cupones. No se puede redimir por efectivo. No transferible. Normas federales y locales pueden requerir que el impuesto de venta sea cargado sobre el precio con el descuento si el producto está sujeto a impuesto de venta. Sentido y precio pueden variar. Mercancía disponible hasta agotar existencias. Devoluciones son prohibidas por la ley. SKUs 07012, 022009



R# 112453 8 RV0400

AHORRA \$6⁰⁰

2 detergentes líquidos Era® de Cualquier tipo



REDIMIBLE SOLAMENTE EN BJ'S 1/1/10 - 1/25/10

Compra requerida para usar el cupón de fabricante dentro del Club. Límite uno por cupón. Un cupón por miembro. Solo para cupones originales según se aceptan. El uso de cupón duplicado está prohibido. No válido para compras antes o después de las días estipuladas en el cupón. Cupón válido en todas las ubicaciones de BJ's Club. Este cupón no puede ser combinado con otros ofertas o cupones. No se puede redimir por efectivo. No transferible. Normas federales y locales pueden requerir que el impuesto de venta sea cargado sobre el precio con el descuento si el producto está sujeto a impuesto de venta. Sentido y precio pueden variar. Mercancía disponible hasta agotar existencias. Devoluciones son prohibidas por la ley. SKUs 681764, 681723



R# 112451 8 RV0400

AHORRA \$4⁰⁰

2 detergentes líquidos para platos Dawn® de Cualquier tipo



REDIMIBLE SOLAMENTE EN BJ'S 1/1/10 - 1/25/10

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R# 112450 8 RV0959

BONO

Compra un cartucho de navajas Gillette® Venus® de Cualquier tipo y obtenga GRATIS un paquete de toallas higiénicas Always® de Cualquier tipo. Valor máximo: \$9.59



REDIMIBLE SOLAMENTE EN BJ'S 1/1/10 - 1/25/10

Compra requerida para usar el cupón de fabricante dentro del Club. Límite uno por cupón. Un cupón por miembro. Solo para cupones originales según se aceptan. El uso de cupón duplicado está prohibido. No válido para compras antes o después de las días estipuladas en el cupón. Cupón válido en todas las ubicaciones de BJ's Club. Este cupón no puede ser combinado con otros ofertas o cupones. No se puede redimir por efectivo. No transferible. Normas federales y locales pueden requerir que el impuesto de venta sea cargado sobre el precio con el descuento si el producto está sujeto a impuesto de venta. Sentido y precio pueden variar. Mercancía disponible hasta agotar existencias. Devoluciones son prohibidas por la ley. Varios SKUs



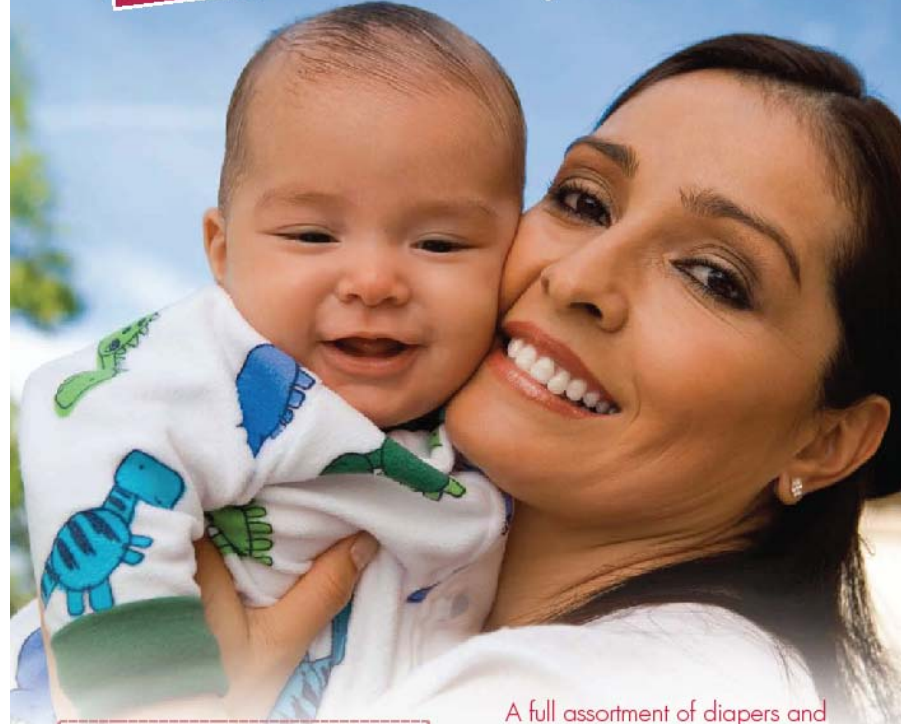
La disponibilidad de artículos varía según la tienda. Artículos disponibles hasta agotar existencias. Precio sujeto a cambio en cualquier momento y a impuestos federales y locales cuando aplique. Miembro BJ's Wholesale Club, Inc. trata de asegurarse que los precios son correctos, ocasionalmente debido a un error humano u otro caso al es precio está etiquetado como incorrecto, nosotros no somos responsables por precios incorrectos equivocadamente o por otros errores tipográficos que puedan ocurrir. Para localizar la tienda más cercana visite bj.com. ©2010 P&G



Selecta and Tiempo Magazine Ad:



you carry the baby.
we'll carry the rest.



A full assortment of diapers and everything else your baby needs.

BJ's It's all about savings. Try BJ's Before You Join EXPIRES 2/28/10

ONE DAY SHOPPING PASS

To locate the Club nearest you, visit BJs.com. To activate, please bring this Pass to the Member Services Desk. Your 5% non-member surcharge will be deducted from your Membership fee if you join. See below for details.

Pass #9999-001-0001. Valid for in-club purchase only. Not valid for alcohol or gas purchases. Purchases at listed prices plus a 5% non-member surcharge until 2/28/10. If you purchase a BJ's Membership within seven days of using this Pass, your non-member surcharge will be applied toward that Membership fee. For more information, please visit bj.com or call 1-800-855-8585. Offer good only at participating BJ's Club locations. American Express®, Discover®, Mastercard®, Visa®, and other trademarks are the property of their respective owners. ©2010 P&G. Member Selecta Online.



To locate the Club nearest you, visit BJs.com. Availability of items may vary by Club location. Items available only while supplies last. ©2010 P&G



A

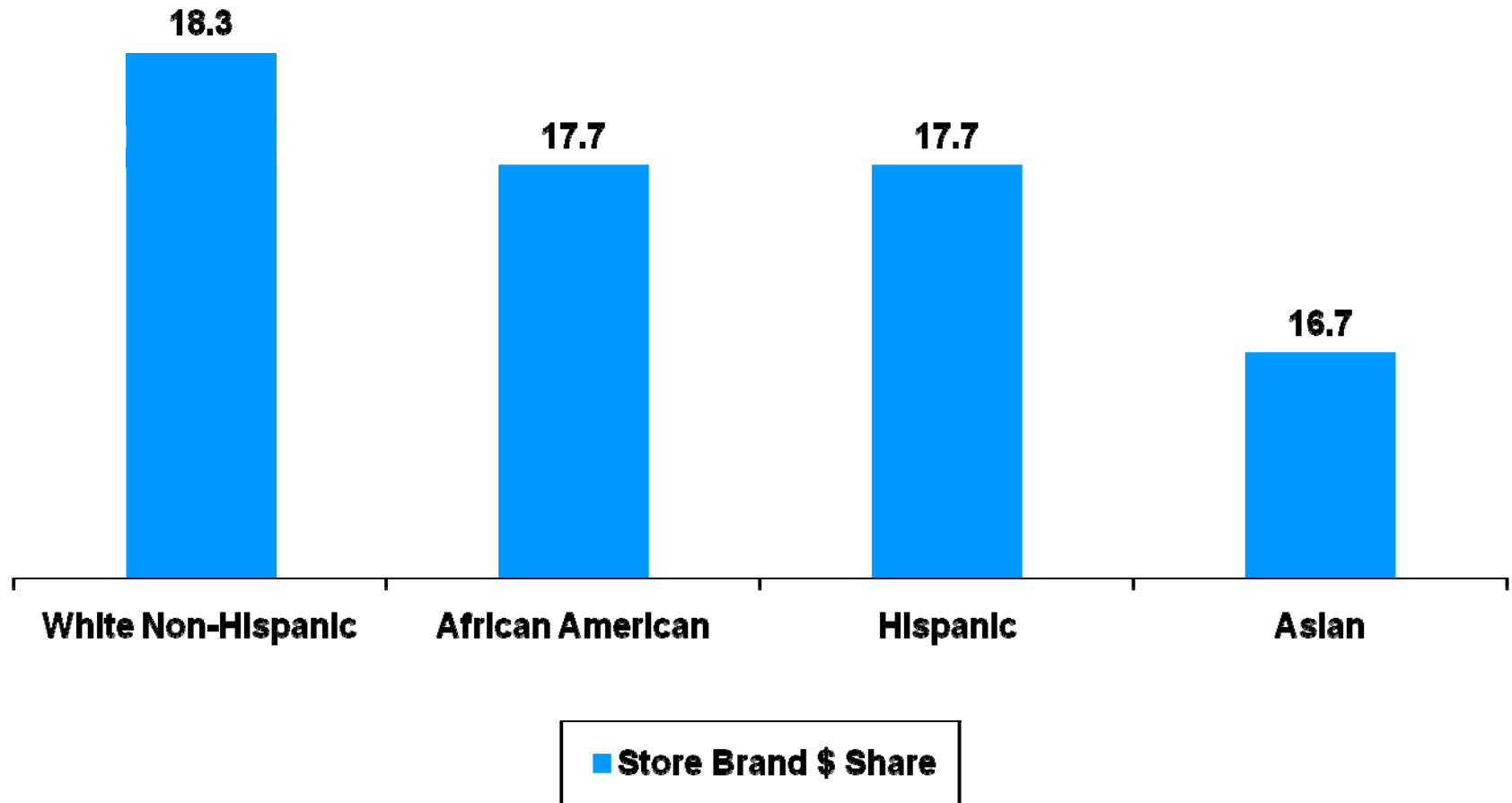


Myth #2

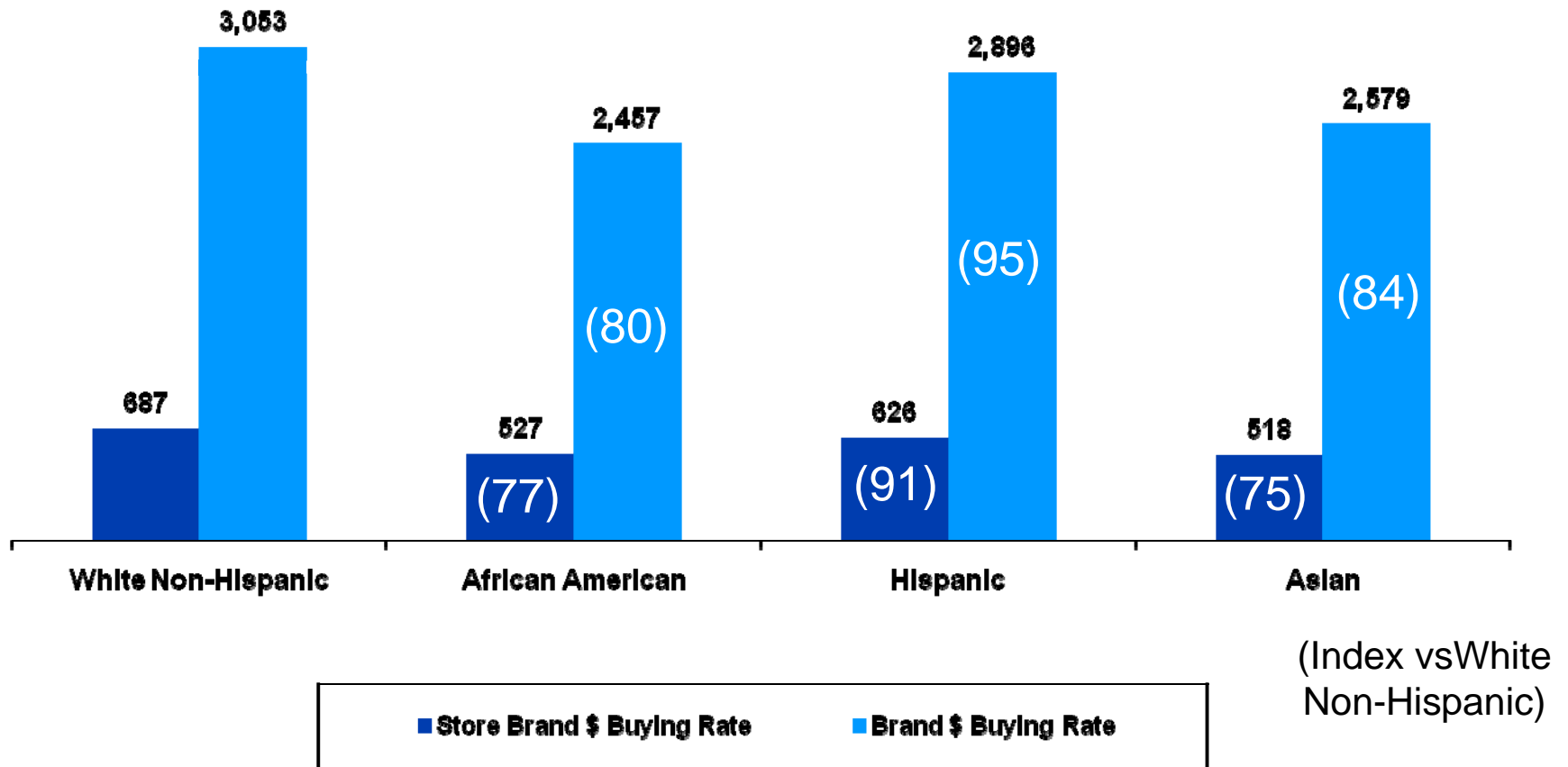
Low-tier offerings
and private label win
Hispanic Shoppers

”

Lower Store Brand share among multicultural



Multicultural, particularly Hispanics, are relatively bigger brand spenders



Hispanics prefer National Brands to Private Label

- Of the top 50 Known Value Items among Hispanics, only 1 is Private Label, 45 are National brands
- Hispanics are less likely to buy private label; 64% Hispanics prefer National brands in personal care*
- Only 8% of Hispanic shoppers agreed with the statement “PL brands are “as good as” the national brands

Charmin goes Basic!



Charmin Basic[®] is proven to be **2X Stronger**,* so it holds up better vs. the other comparably priced brand.

Charmin Basic[®] can support the weight of one US Half Dollar after being sprayed with ~0.3ml of water and dragged 12 inches.

*when wet

The image shows two hands holding up pieces of toilet paper. The left piece is labeled "Other Brand" and has a hole in the center. The right piece is labeled "Charmin Basic" and has a coin (a US Half Dollar) hanging from a hole in the center. The background is blue.

Myth #3

Bi-lingual store
navigation drives
satisfaction and
closure among
Hispanics

Navigating the Store

- Signpost brands on endcap and at end of shelf set used to navigate to the category
- Hispanic shoppers DO need help in-aisle
 - This includes leveraging bilingual sub-category messaging, packaging, and marketing materials
- In-aisle elements that are bilingual work across shopper groups
 - General market consumers are neutral toward multilingual packaging with most agreeing it would NOT negatively influence purchase decisions



Bilingual Sub-Category Signage

Bilingual in-aisle materials drive clarity

- Nearly 70% of Hispanics rate multi-lingual packaging as very important in selecting which store to shop
- Hispanic-relevant POP materials drove a 17% increase in dollar sales
- 72% of Hispanics (vs. 49% non) claim to “usually read information on product labels”
 - Only 30% of Hispanic consumers prefer to read in English-only
 - Bilingual labels help Hispanics understand key benefits to show “this brand is for me”



BIC Bilingual Shelftalker

Myth #4

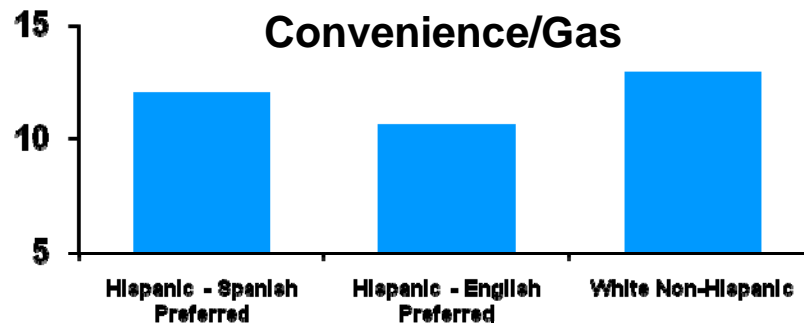
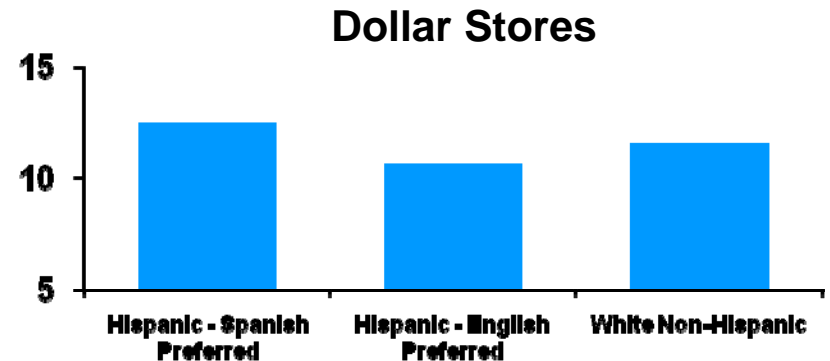
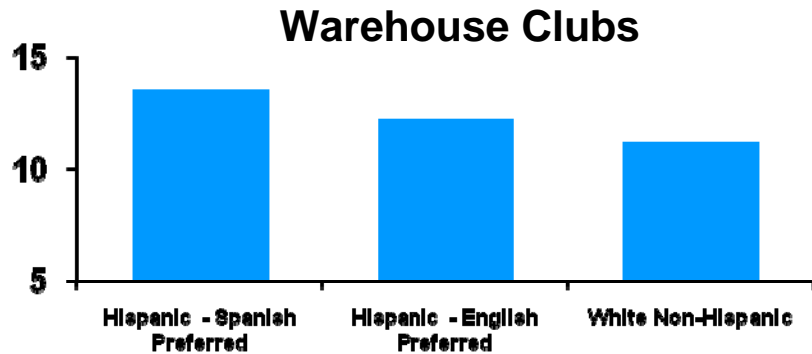
To make my center store Hispanic friendly enough, I will have to completely reinvent it

Key Attributes for Hispanics Similar to General Market

- This store is convenient for me to reach
- Offers excellent price quality ratio (value for money)
- Prices are clearly indicated and easy to understand
- New products are easy to spot in this store
- Has been a family favorite for years
- Has a good selection of name brand products

Similar shopping frequency in channels that have not modified formats to attract Hispanics

Shopping Trips Per Household



Myth #5

Only products from
country of origin win
disproportionately
with Hispanics

How do you move from....

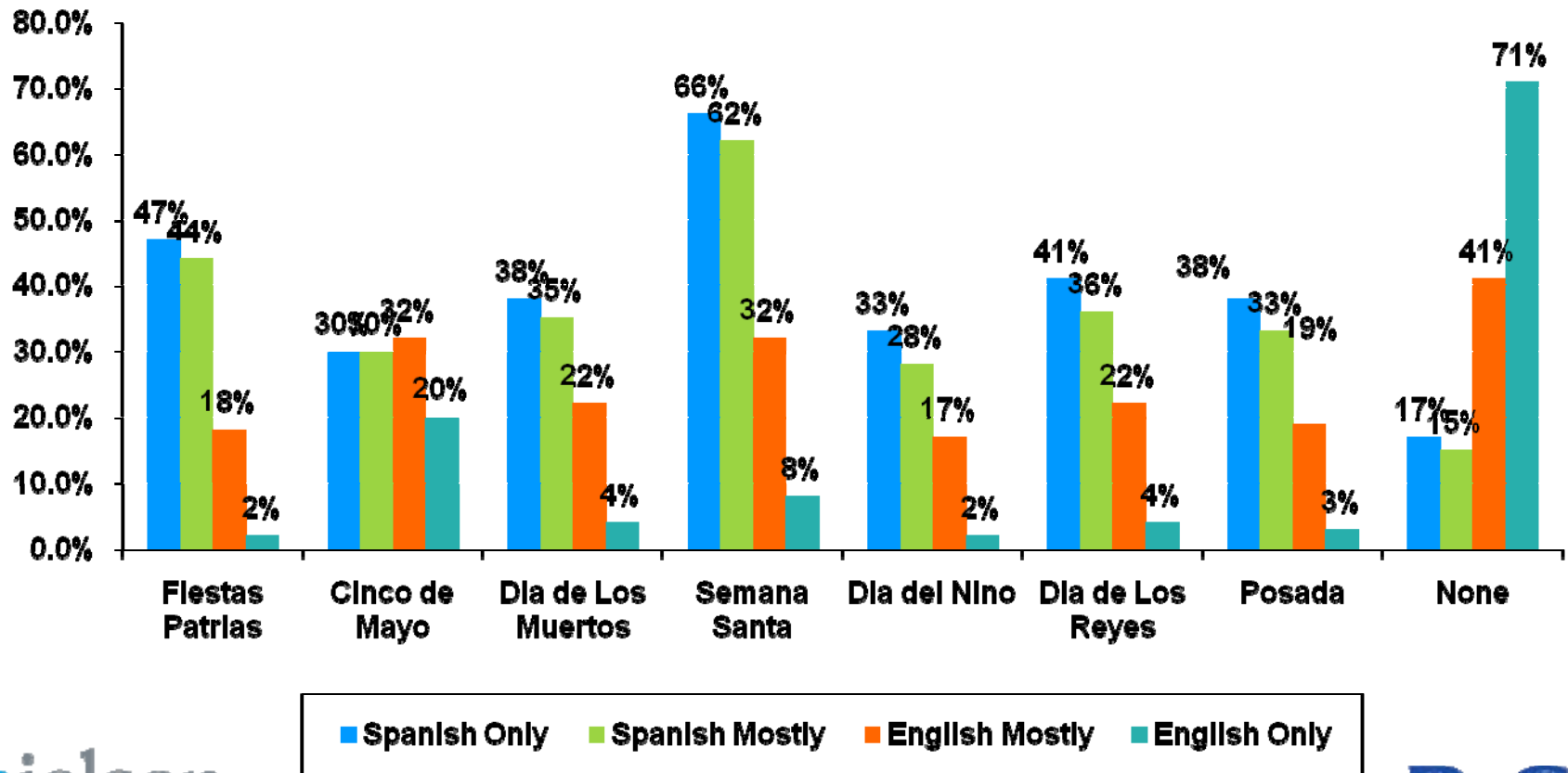


Myth #6

Hispanic
merchandising plans
are successful only
when centered around
calendar

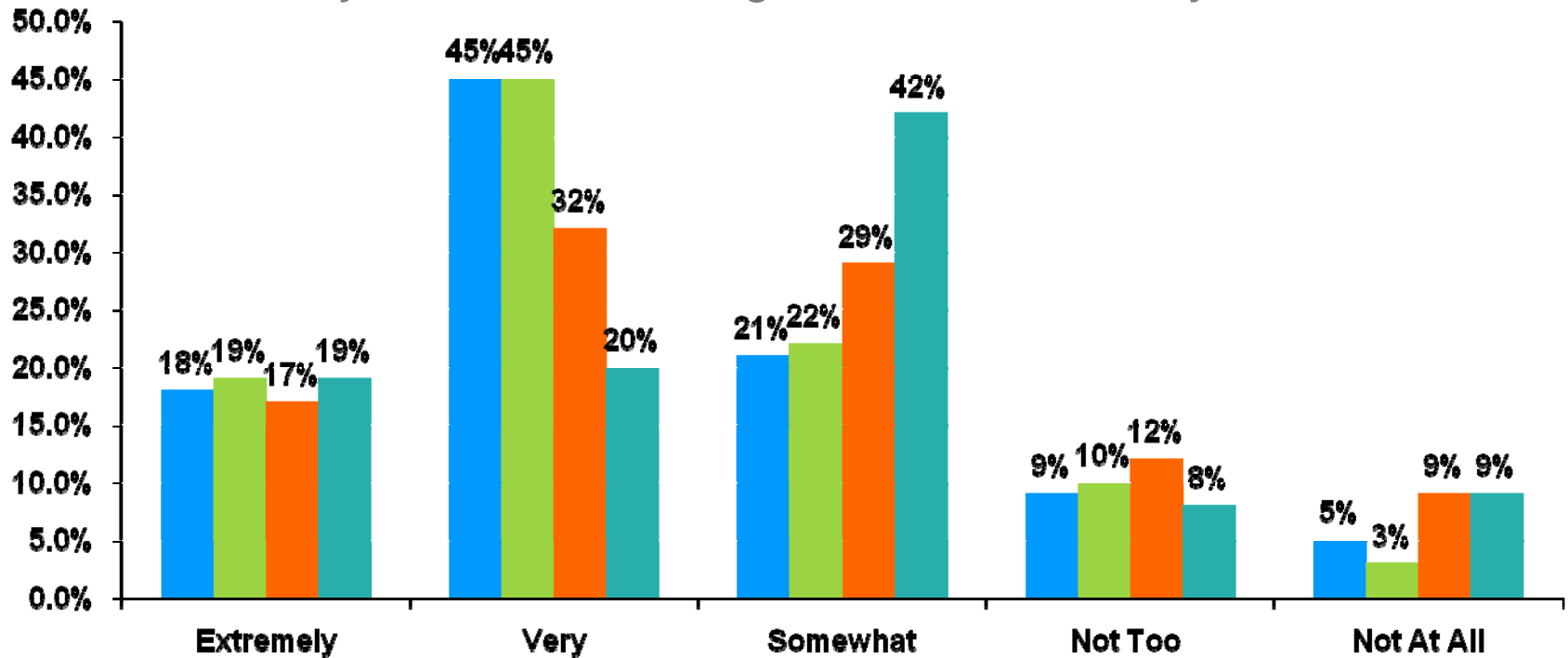
(i.e Hispanic Heritage Month, Cinco de Mayo)

Significant percentages of Spanish speakers celebrate traditional Hispanic holidays



But most recognize importance of adapting to U.S. Society....

How important is it for Hispanics to change so that they blend into the larger American Society?



■ Spanish Only ■ Spanish Mostly ■ English Mostly ■ English Only

Myth #7

“Hispanics are hard
to reach with my
Marketing dollars”

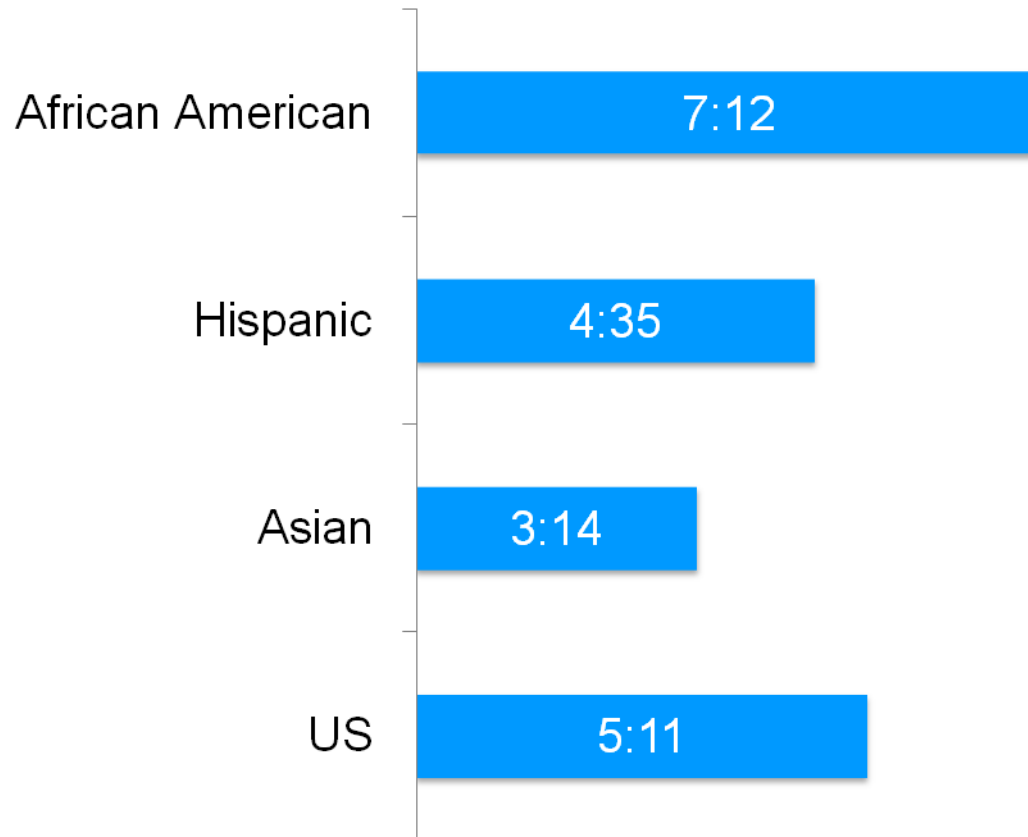
What Do I Watch?



Hispanics

- Watch less TV than average U.S. household
- Spend less time online, but more streaming video or in social networks
- Have embraced smartphones & social media sites

Lower Hispanics television usage than average U.S. household



Total day TV usage by Race and Origin (Daily HH:MM)

Source: Nielsen National Television Panel

Less fragmented TV

broadcast
networks

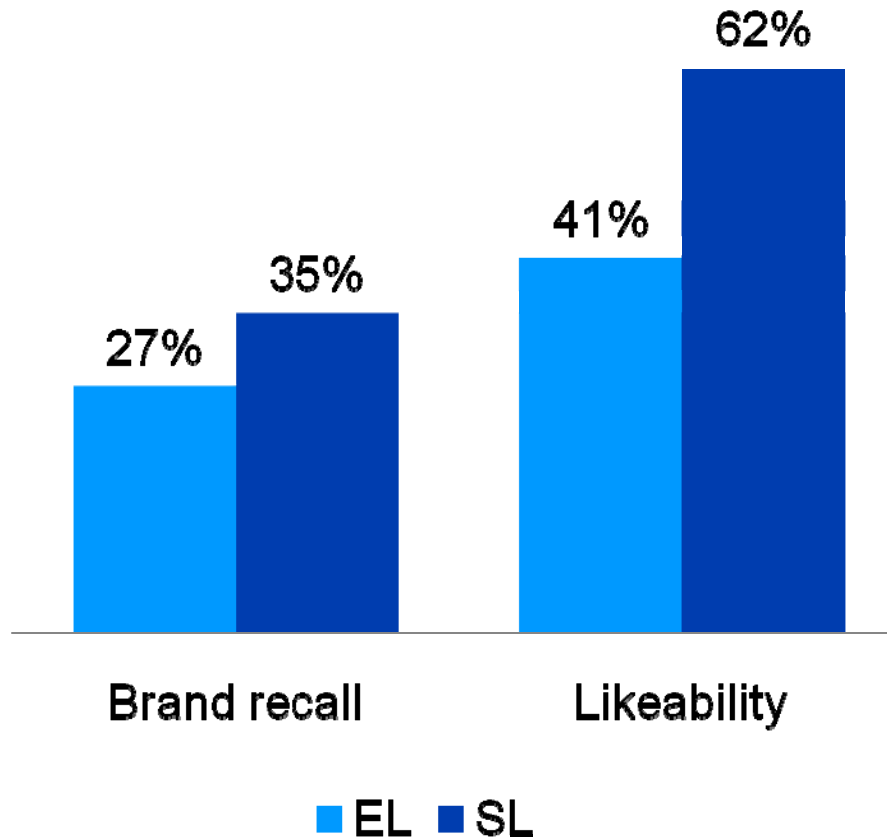
6 > 5

“adult” cable
networks

+70 > 6

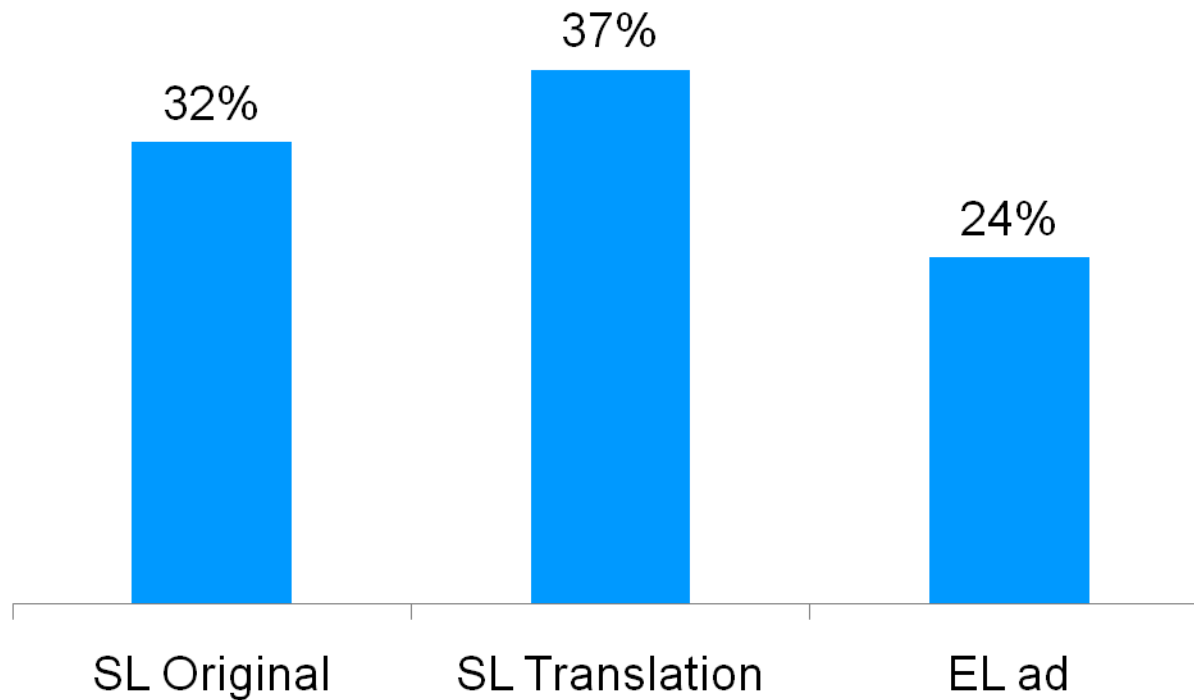
Are you speaking my language?

For Hispanics, Spanish ads are more effective than English ads









Do you look like me?

Ads that portray Hispanic talent see a lift on brand recall

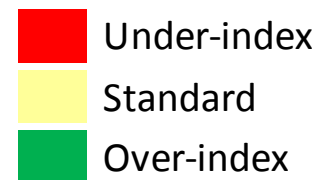


Diverse multicultural touch points via social media sites

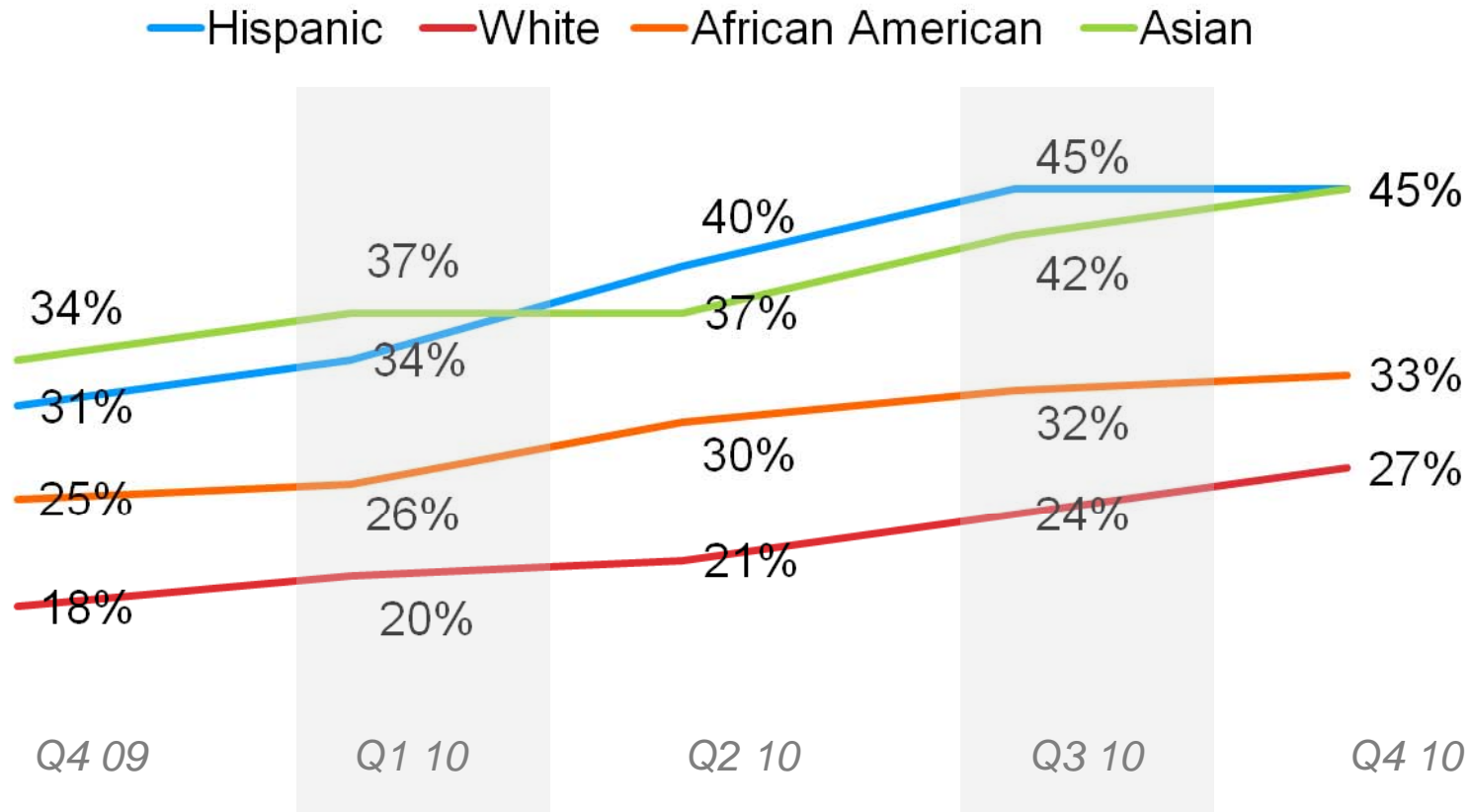


					
Hispanic	154	67	112	100	106
White	93	106	98	101	94
African American	116	69	104	96	130
Asian	83	147	118	99	126
Other	154	63	110	100	103

Composition Index by Unique Audience



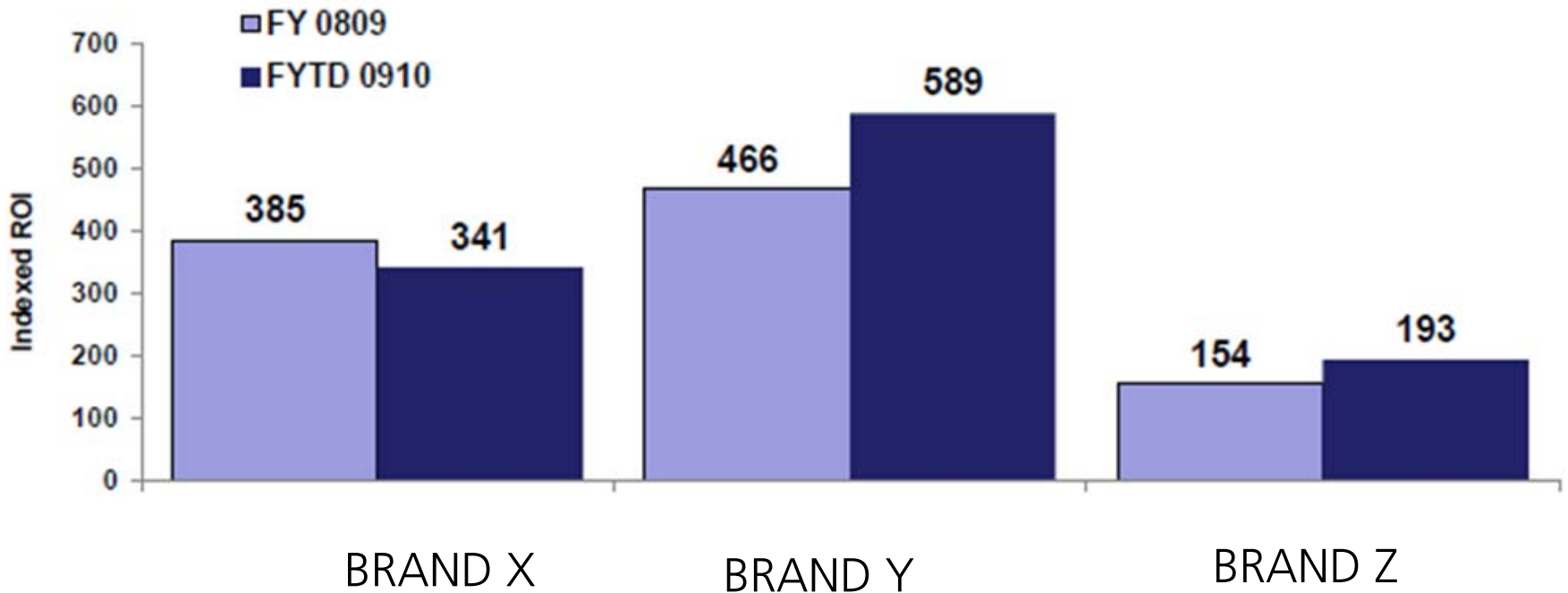
Hispanics have adopted new phone technology



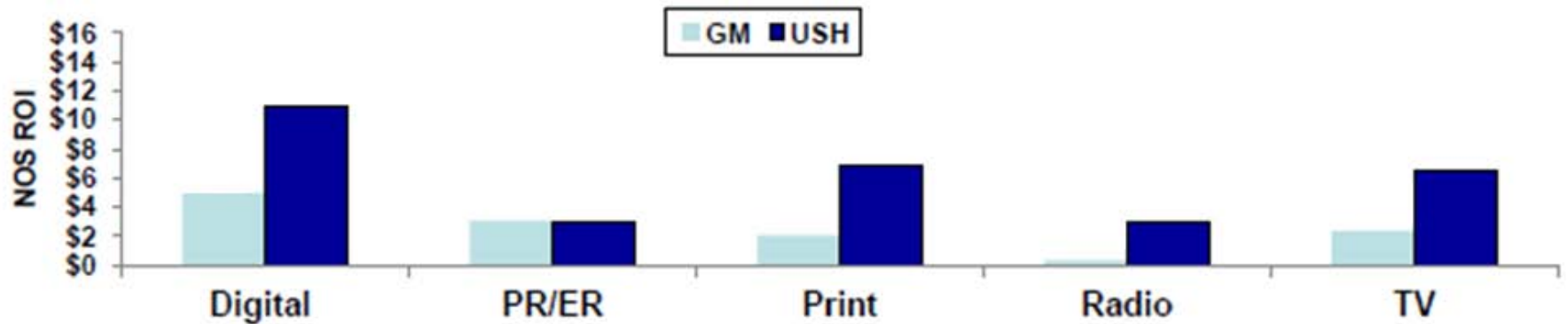
Penetration of smartphone by race and ethnicity

ROIs greater than GM

USH ROIs Indexed against GM ROIs by Brand



...across all marketing elements



USH vs. GM Index	219	99	329	918	278
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Myth #8

Trying to win with the
Hispanic shopper is
tactical NOT strategic

30ss and DRTV ads



DTC Sampling/Coupons



Branded Entertainment



In-store

First USH Website



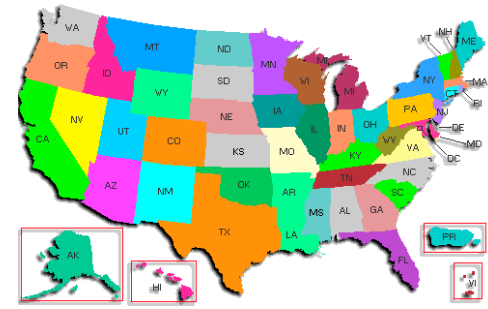
Barbershop Experiential Sampling

Oral Care is “Walking the Talk”!



National Plans

Original Media in Spanish



bilingual
instore assets



Spanish Websites more efficient digital media buy



Regional Plans



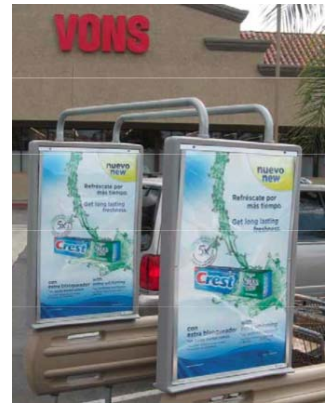
Education & Sampling Program



“Catalina” Coupons



“Starlite” Out of Store signage



Closing Thoughts

- ✓ Think total store
- ✓ Brands are most critical
- ✓ Use bilingual selectively
- ✓ Recreating Mexico is not the way to win
- ✓ Majority of Brands/SKUs to win are already in your stores
- ✓ Differentiate - create merchandising platforms not events
- ✓ Greater efficiency and ROI in reaching Hispanics
- ✓ Think STRATEGIC

GRACIAS